DEBATES

OF

THE SENATE

OF THE

DOMINION OF CANADA

1931

OFFICIAL REPORT

Editor: DAVID J. HALPIN

Reporters: H. H. EMERSON, B. P. LAKE

Reserve Reporter: THOS. BENGOUGH

SECOND SESSION—SEVENTEENTH PARLIAMENT—21-22 GEORGE V

OTTAWA
F. A. ACLAND
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1931

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SENATORS OF CANADA

ACCORDING TO SENIORITY

AUGUST 3, 1931

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

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
Pascal Poirier	Acadie	Shediac, N.B.
Raoul Dandurand, P.C.	De Lorimier	Montreal, Que.
Joseph P. B. Casgrain	De Lanaudière	Montreal, Que.
Frédéric L. Béique, P.C.	De Salaberry	Montreal, Que.
Joseph H. Legris	Repentigny	Louiseville, Que.
Jules Tessier	De la Durantaye	Quebec, Que.
James H. Ross	Moose Jaw	Moose Jaw, Sask.
Napoléon A. Belcourt, P.C.	Ottawa	Ottawa, Ont.
Edward Matthew Farrell	Liverpool	Liverpool, N.S.
Joseph M. Wilson	Sorel	Montreal, Que.
Rufus Henry Pope	Bedford	Cookshire, Que.
John W. Daniel	Saint John	Saint John, N.B.
George Gordon	Nipissing	North Bay, Ont.
Nathaniel Curry	Amherst	Amherst, N.S.
Edward L. Girroir	Antigonish	Antigonish, N.S.
Ernest D. Smith	Wentworth	Winona, Ont.
James J. Donnelly	South Bruce	Pinkerton, Ont.
Charles Philippe Beaubien	Montarville	Montreal, Que.
John McLean	Souris	Souris, P.E.I.
John Stewart McLennan	Sydney	Sydney, N.S.
William Henry Sharpe	Manitou	Manitou, Man.
Gideon D. Robertson, P.C.	Welland	Welland, Ont.
George Lynch-Staunton	Hamilton	Hamilton, Ont.
Charles E. Tanner	Pictou	Halifax, N.S.
Thomas Jean Bourque	Richibucto	Richibucto, N.B.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
Henry W. Laird	Regina	Regina, Sask.
Albert E. Planta	Nanaimo	Nanaimo, B.C.
John Henry Fisher	Brant	Paris, Ont.
Lendrum McMeans	Winnipeg	Winnipeg, Man.
David Ovide L'Espérance	Gulf	Quebec, Que.
Richard Smeaton White	Inkerman	Montreal, Que.
Aimé Bénard	St. Boniface	Winnipeg, Man.
George Henry Barnard	Victoria	Victoria, B.C.
Wellington B. Willoughby	Moose Jaw	Moose Jaw, Sask.
James Davis Taylor	New Westminster	New Westminster, B.C.
Frederick L. Schaffner	Boissevain	Boissevain, Man.
Edward Michener	Red Deer	Red Deer, Alta.
William James Harmer	Edmonton	Edmonton, Alta.
Irving R. Todd	Charlotte	Milltown, N.B.
Pierre Edouard Blondin, P.C. (Speaker)	The Laurentides	Montreal, Que.
Gerald Verner White	Pembroke	Pembroke, Ont.
Thomas Chapais	Grandville	Quebec, Que.
Lorne C. Webster	Stadacona	Montreal, Que.
John Stanfield	Colchester	Truro, N.S.
John Anthony McDonald	Shediac	Shediac, N.B.
William A. Griesbach, C.B., C.M.G.	Edmonton	Edmonton, Alta.
John McCormick	Sydney Mines	Sydney Mines, N.S.
Rt. Hon. Sir George E. Foster, P.C., G.C.M.G.	Ottawa	Ottawa, Ont.
James A. Calder, P.C.	Saltcoats	Regina, Sask.
Robert F. Green	Kootenay	Victoria, B.C.
Archibald B. Gillis	Saskatchewan	Whitewood, Sask.
Archibald H. Macdonell, C.M.G.	South Toronto	Toronto, Ont.
Frank B. Black	Westmorland	Sackville, N.B.
Sanford J. Crowe	Burrard	Vancouver, B.C.
Peter Martin	Halifax	Halifax, N.S.
Arthur C. Hardy, P.C.	Leeds	Brockville, Ont.
Onésiphore Turgeon	Gloucester	Bathurst, N.B.
Sir Allen Bristol Aylesworth, P.C., K.C.M.G.	North York	Toronto, Ont.
Andrew Haydon	Lanark	Ottawa, Ont.
Clifford W. Robinson	Moncton	Moncton, N.B.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
James Joseph Hughes	King's	Souris, P.E.I.
Creelman MacArthur	Prince	Summerside, P.E.I.
Jacques Bureau, P.C.	La Salle	Three Rivers, Que.
Henri Sévérin Béland, P.C.	Lauzon	St. Joseph de Beauce, Que.
John Lewis	Toronto	Toronto, Ont.
Charles Murphy, P.C.	Russell	Ottawa, Ont.
William Ashbury Buchanan	Lethbridge	Lethbridge, Alta.
James Palmer Rankin	Perth, N.	Stratford, Ont.
Arthur Bliss Copp, P.C.	Westmorland	Sackville, N.B.
John Patrick Molloy	Provencher	Morris, Man.
Wilfrid Laurier McDougald	Wellington	Montreal, Que.
Daniel E. Riley	High River	High River, Alta.
Paul L. Hatfield	Yarmouth	Yarmouth, N.S.
Rt. Hon. George P. Graham, P.C.	Eganville	Brockville, Ont.
William H. McGuire	East York	Toronto, Ont.
Donat Raymond	De la Vallière	Montreal, Que.
Philippe J. Paradis	Shawinigan	Quebec, Que.
James H. Spence	North Bruce	Toronto, Ont.
Edgar S. Little	London	London, Ont.
Gustave Lacasse	Essex	Tecumseh, Ont.
Henry Herbert Horsey	Prince Edward	Cressy, Ont.
Walter E. Foster, P.C.	Saint John	Saint John, N.B.
Hance J. Logan	Cumberland	Parrsboro, N.S.
Robert Forke, P.C.	Brandon	Pipestone, Man.
Cairine R. Wilson	Rockcliffe	Ottawa, Ont.
James Murdock, P.C.	Parkdale	Ottawa, Ont.
Rodolphe Lemieux, P.C.	Rougemont	Ottawa, Ont.
Edmund William Tobin	Victoria	Bromptonville, Que.
George Parent	Kennebec	Quebec, Que.
Jules-Edouard Prevost	Mille Isles	St. Jerome, Que.
Lawrence Alexander Wilson	Rigaud	Coteau du Lac, Que.
John Ewen Sinclair, P.C.	Queen's	Emerald, P.E.I.
James H. King, P.C.	Kootenay East	Ottawa, Ont.
Arthur Marcotte	.....	Ponteix, Sask.
Patrick Burns	.....	Calgary, Alta.

SENATORS OF CANADA

ALPHABETICAL LIST

AUGUST 3, 1931

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
AYLESWORTH, SIR ALLEN, P.C., K.C.M.G.	North York	Toronto, Ont.
BARNARD, G. H.	Victoria	Victoria, B.C.
BEAUBIEN, C. P.	Montarville	Montreal, Que.
BÉIQUE, F. L., P.C.	De Salaberry	Montreal, Que.
BÉLAND, H. S., P.C.	Lauzon	St. Joseph de Beauce, Que.
BELCOURT, N. A., P.C.	Ottawa	Ottawa, Ont.
BÉNARD, A.	St. Boniface	Winnipeg, Man.
BLACK, F. B.	Westmorland	Sackville, N.B.
BLONDIN, P. E., P.C. (Speaker)	The Laurentides	Montreal, Que.
BOURQUE, T. J.	Richibucto	Richibucto, N.B.
BUCHANAN, W. A.	Lethbridge	Lethbridge, Alta.
BUREAU, J., P.C.	La Salle	Three Rivers, Que.
BURNS, PATRICK	.....	Calgary, Alta.
CALDER, J. A., P.C.	Saltcoats	Regina, Sask.
CASGRAIN, J. P. B.	De Lanaudière	Montreal, Que.
CHAPAIS, T.	Grandville	Quebec, Que.
COPP, A. B., P.C.	Westmorland	Sackville, N.B.
CROWE, S. J.	Burrard	Vancouver, B.C.
CURRY, N.	Amherst	Amherst, N.S.
DANDURAND, R., P.C.	De Lorimier	Montreal, Que.
DANIEL, J. W.	Saint John	Saint John, N.B.
DONNELLY, J. J.	South Bruce	Pinkerton, Ont.
FARRELL, E. M.	Liverpool	Liverpool, N.S.
FISHER, J. H.	Brant	Paris, Ont.
FORKE, R., P.C.	Brandon	Pipestone, Man.
FOSTER, RT. HON. SIR GEORGE E., P.C., G.C.M.G.	Ottawa	Ottawa, Ont.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
FOSTER, W. E., P.C.	Saint John	Saint John, N.B.
GILLIS, A. B.	Saskatchewan	Whitewood, Sask.
GIRROIR, E. L.	Antigonish	Antigonish, N.S.
GORDON, G.	Nipissing	North Bay, Ont.
GRAHAM, RT. HON. GEO. P., P.C.	Eganville	Brockville, Ont.
GREEN, R. F.	Kootenay	Victoria, B.C.
GRIESBACH, W. A., C.B., C.M.G.	Edmonton	Edmonton, Alta.
HARDY, A. C., P.C.	Leeds	Brockville, Ont.
HARMER, W. J.	Edmonton	Edmonton, Alta.
HATFIELD, P. L.	Yarmouth	Yarmouth, N.S.
HAYDON, A.	Lanark	Ottawa, Ont.
HORSEY, H. H.	Prince Edward	Cressy, Ont.
HUGHES, J. J.	King's	Souris, P.E.I.
KING, J. H., P.C.	Kootenay East	Ottawa, Ont.
LACASSE, G.	Essex	Tecumseh, Ont.
LAIRD, H. W.	Regina	Regina, Sask.
LEGRIS, J. H.	Repentigny	Louiseville, Que.
LEMIEUX, R., P.C.	Rougemont	Ottawa, Ont.
L'ESPÉRANCE, D. O.	Gulf	Quebec, Que.
LEWIS, J.	Toronto	Toronto, Ont.
LITTLE, E. S.	London	London, Ont.
LOGAN, H. J.	Cumberland	Parrsboro, N.S.
LYNCH-STAUNTON, G.	Hamilton	Hamilton, Ont.
MACARTHUR, C.	Prince	Summerside, P.E.I.
MACDONELL, A. H., C.M.G.	Toronto, South	Toronto, Ont.
MARCOTTE, ARTHUR		Ponteix, Sask.
MARTIN, P.	Halifax	Halifax, N.S.
MCCORMICK, J.	Sydney Mines	Sydney Mines, N.S.
MCDONALD, J. A.	Shediac	Shediac, N.B.
MCDOUGALD, W. L.	Wellington	Montreal, Que.
MCGUIRE, W. H.	East York	Toronto, Ont.
MCLEAN, J.	Souris	Souris, P.E.I.
MCLENNAN, J. S.	Sydney	Sydney, N.S.
MCMEANS, L.	Winnipeg	Winnipeg, Man.
MICHENER, E.	Red Deer	Red Deer, Alta.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
Molloy, J. P.	Provencher	Morris, Man.
Murdock, J., P.C.	Parkdale	Ottawa, Ont.
Murphy, C., P.C.	Russell	Ottawa, Ont.
Paradis, P. J.	Shawinigan	Quebec, Que.
Parent, G.	Kennebec	Quebec, P.Q.
Planta, A. E.	Nanaimo	Nanaimo, B.C.
Poirier, P.	Acadie	Shediac, N.B.
Pope, R. H.	Bedford	Cookshire, Que.
Prevost, J. E.	Mille Isles	St. Jerome, Que.
Rankin, J. P.	Perth, N.	Stratford, Ont.
Raymond, D.	De la Vallière	Montreal, Que.
Riley, D. E.	High River	High River, Alta.
Robertson, G. D., P.C.	Welland	Welland, Ont.
Robinson, C. W.	Moncton	Moncton, N.B.
Ross, J. H.	Moose Jaw	Moose Jaw, Sask.
Schaffner, F. L.	Boissevain	Boissevain, Man.
Sharpe, W. H.	Manitou	Manitou, Man.
Sinclair, J. E., P.C.	Queen's	Emerald, P.E.I.
Smith, E. D.	Wentworth	Winona, Ont.
Spence, J. H.	North Bruce	Toronto, Ont.
Stanfield, J.	Colchester	Truro, N.S.
Tanner, C. E.	Pictou	Pictou, N.S.
Taylor, J. D.	New Westminster	New Westminster, B.C.
Tessier, Jules	De la Durantaye	Quebec, Que.
Tobin, E. W.	Victoria	Bromptonville, Que.
Todd, I. R.	Charlotte	Milltown, N.B.
Turgeon, O.	Gloucester	Bathurst, N.B.
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, C. R.	Rockcliffe	Ottawa, Ont.
Wilson, J. M.	Sorel	Montreal, Que.
Wilson, L. A.	Rigaud	Coteau du Lac, P.Q.

SENATORS OF CANADA

BY PROVINCES

AUGUST 3, 1931

ONTARIO—24

	SENATORS	POST OFFICE ADDRESS
	The Honourable	
1	Napoléon A. Belcourt, P.C.	Ottawa.
2	George Gordon	North Bay.
3	Ernest D. Smith	Winona.
4	James J. Donnelly	Pinkerton.
5	George Lynch-Staunton	Hamilton.
6	Gideon D. Robertson, P.C.	Welland.
7	John Henry Fisher	Paris.
8	Gerald Verner White	Pembroke.
9	Rt. Hon. Sir Geo. E. Foster, P.C., G.C.M.G.	Ottawa.
10	Archibald H. Macdonell, C.M.G.	Toronto.
11	Arthur C. Hardy, P.C.	Brockville.
12	Sir Allen Bristol Aylesworth, P.C., K.C.M.G.	Toronto.
13	Andrew Haydon	Ottawa.
14	Charles Murphy, P.C.	Ottawa.
15	John Lewis	Toronto.
16	James Palmer Rankin	Stratford.
17	Rt. Hon. George P. Graham, P.C.	Brockville.
18	William H. McGuire	Toronto.
19	James H. Spence	Toronto.
20	Edgar S. Little	London.
21	Gustave Lacasse	Tecumseh.
22	Henry H. Horsey	Cressy.
23	Cairine R. Wilson	Ottawa.
24	James Murdock, P.C.	Ottawa.

QUEBEC—24

	SENATORS	ELECTORAL DIVISION	POST OFFICE ADDRESS
	The Honourable		
1	Raoul Dandurand, P.C.	De Lorimier	Montreal.
2	Joseph P. B. Casgrain	De Lanaudière	Montreal.
3	Frédéric L. Béique, P.C.	De Salaberry	Montreal.
4	Joseph H. Legris	Repentigny	Louiseville.
5	Jules Tessier	De la Durantaye	Quebec.
6	Joseph M. Wilson	Sorel	Montreal.
7	Rufus H. Pope	Bedford	Cookshire.
8	Charles Philippe Beaubien	Montarville	Montreal.
9	David Ovide L'Espérance	Gulf	Quebec.
10	Richard Smeaton White	Inkerman	Montreal.
11	Pierre Edouard Blondin, P.C. (Speaker)	The Laurentides	Montreal.
12	Thomas Chapais	Grandville	Quebec.
13	Lorne C. Webster	Stadacona	Montreal.
14	Henri Sévérin Béland, P.C.	Lauzon	St. Joseph de Beauce.
15	Jacques Bureau, P.C.	La Salle	Three Rivers.
16	Wilfrid Laurier McDougald	Wellington	Montreal.
17	Donat Raymond	De la Vallière	Montreal.
18	Philippe J. Paradis	Shawinigan	Quebec.
19	Rodolphe Lemieux, P.C.	Rougemont	Ottawa, Ont.
20	Edmund W. Tobin	Victoria	Bromptonville.
21	George Parent	Kennebec	Quebec.
22	Jules-Edouard Prevost	Mille Isles	St. Jerome.
23	Wilson, Lawrence A.	Rigaud	Coteau du Lac.
24			

NOVA SCOTIA—10

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

NEW BRUNSWICK—10

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

PRINCE EDWARD ISLAND—4

	The Honourable	
1	John McLean	Souris.
2	James Joseph Hughes	Souris.
3	Creelman MacArthur	Summerside.
4	John Ewen Sinclair, P.C.	Emerald.

BRITISH COLUMBIA—6

SENATORS	POST OFFICE ADDRESS
The Honourable	
1 Albert E. Planta	Nanaimo.
2 George Henry Barnard	Victoria.
3 James Davis Taylor	New Westminster.
4 Robert F. Green	Victoria.
5 Sanford J. Crowe	Vancouver.
6 James H. King, P.C.	Ottawa, Ont.

MANITOBA—6

The Honourable	
1 William H. Sharpe	Manitou.
2 Lendrum McMeans	Winnipeg.
3 Aimé Bénard	Winnipeg.
4 Frederick L. Schaffner	Winnipeg.
5 John Patrick Molloy	Morris.
6 Robert Forke, P.C.	Pipestone.

SASKATCHEWAN—6

The Honourable	
1 James H. Ross	Moose Jaw.
2 Henry W. Laird	Regina.
3 Wellington B. Willoughby	Moose Jaw.
4 James A. Calder, P.C.	Regina.
5 Archibald B. Gillis	Whitewood.
6 Arthur Marcotte	Ponteix.

ALBERTA—6

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

CANADA

The Debates of the Senate

OFFICIAL REPORT

THE SENATE

Thursday, March 12, 1931.

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

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

OPENING OF THE SESSION

The Hon. the Speaker informed the Senate that he had received a communication from the Acting Secretary to the Administrator informing him that His Excellency the Administrator would proceed to the Senate Chamber to open the session of the Dominion Parliament this day at 3 o'clock.

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

At three o'clock His Excellency the Administrator 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 Second Session of the Seventeenth Parliament of the Dominion of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

I welcome you to your duties at a time when the nations of the world are passing through a period of great economic depression. Canada has not escaped it. But the Canadian people have met the trials of the moment with patience and fortitude, and are facing the future with the courage and faith which must triumph over every difficulty. In prosperity they were united. In adversity that union is made still stronger by the spirit of co-operation and mutual understanding which is the surest bulwark of the nation's welfare and happiness.

These attributes of Canadianism are national assets of real value, and, upon their possession, I do profoundly congratulate you.

It will be your privilege to consider certain measures designed by my Ministers to ameliorate existing conditions, to provide further means by which our people may go forward to achieve a prosperity heretofore unattained and to furnish them with all possible safeguards against a recurrence of the present subordination to world forces.

The fact that in this period of universal distress Canada has been spared the same acute degree of hardship which many other nations have been called upon to bear, will not, I know, blind you to the fact that between this country as it is and as it should be, there is a gulf to be bridged by the industry and zeal of all those who have the welfare of the nation in their keeping. The problems which stand between us and ultimate prosperity are manifold and great. To be effectually met, they must first be understood. Confusion between cause and effect will but delay their solution. My Government has explored the origins of our difficulties and is firmly of the belief that many of our problems do not arise out of world-wide depression, but are antecedent to it; and that domestic factors have also largely determined the degree of economic distress from which this country is suffering.

It was this belief which impelled my Ministers at the emergency session of Parliament held in September last to remove one of the root weaknesses in our industrial system by effecting such then possible changes in the tariff as would, in their opinion, provide substantial security against harmful world competition. Although in the interval world conditions have changed but little for the better, this tariff legislation has resulted in a marked improvement in the domestic situation through the strengthening of established industries, and in addition many others, formerly exporters to Canada, have now become producers in Canada.

The operation of the Unemployment Relief Act, 1930, has proved equally beneficial. While the grant authorized by this Act could not immediately have checked unemployment arising from causes of which you have full knowledge, yet its careful administration by my Ministers, ably aided by the provincial and municipal governments and the two great railway systems, has resulted in the institution of a nation wide program of public undertakings, each one a unit in a scheme of national development, which have collectively provided work for the greatest number of men who have ever been employed through the direct efforts of the Federal Government.

Since the last session of Parliament four of my Ministers attended the Imperial and Imperial Economic Conferences in London. Several constitutional questions, arising largely out of the resolutions of the Imperial Conference of 1926, were fully discussed and, in principle, approved. My Ministers, however, held the view that before certain constitutional changes embodied in these resolutions should be made effective by a statute of the Parliament of the United Kingdom of Great Britain and Northern Ireland, the Provinces of Canada should be given an opportunity of further con-

sidering them and of satisfying themselves that these proposed changes do not in any way restrict their constitutional rights. Unanimous concurrence in this view having been given by the representatives of Great Britain, the Irish Free State and the other Dominions, my Ministers have called a Provincial Conference to be held at Ottawa in the month of April for the consideration of the proposed changes. Following the conference you will be asked to take appropriate action.

Exhaustive consideration of the means most likely to ensure a lasting and mutually advantageous scheme of Empire economic co-operation was also commenced at the Imperial Conference, and many matters preliminary to a final conclusion were then disposed of. Searching investigation into the merits of alternative schemes by the governments concerned is continuing, and it is confidently hoped that, at the adjourned Conference to meet at Ottawa during the ensuing summer, agreements will be concluded for closer Empire trade, which will strengthen still more the bonds of Empire and bring to every part of it great and enduring prosperity.

Pursuant to the fixed policy of my Government to combat all influences which are inimical to the social and economic welfare of this Dominion, an Order in Council has been passed prohibiting the importation of certain commodities into Canada from the Union of Soviet Socialist Republics.

My Ministers have completed the organization approved by legislation at the last session of the Sixteenth Parliament for administering the Pension Act as amended, and have taken steps to ensure that every care shall be exercised to obtain the just and equitable satisfaction of all legitimate claims.

My Ministers have had under anxious consideration the means by which an orderly marketing of the wheat crop of Western Canada may be assured, and have already taken such effective action towards that end as the circumstances appear to justify. My Ministers are aware that changing conditions in the world's markets may necessitate further intervention by my Government, which is prepared to render whatever additional assistance may be deemed advisable in the national interest. The present situation has emphasized the necessity of effecting a reduction in the costs of production and marketing of the wheat crop and of providing more stable markets, as the welfare of all parts of Canada is involved in satisfactory returns being received by the grain growers.

The broad outline of the general scheme of national development undertaken by my Government, including provision for old age pensions, aid to agriculture, technical education and highway construction, has already been made known. My Ministers are persuaded that this general scheme cannot advantageously be altered. Careful consideration has therefore been given to the progressive stages by which it will be carried out, and you will be asked to consider measures sanctioning such action as the current economic situation warrants, and such as can be undertaken without undue demands upon the national exchequer.

You will be asked to consider such further revision of the tariff as may be carried out with but incidental adjustments to the British Preference Schedules now in force.

You will have before you for consideration a Bill to create a Tariff Board, the purposes of which will be to ensure stability of trade, opportunities for the development of our home market by Canadian producers in fair competition with those of other nations, and the protection of our consumers from exploitation.

Amongst other measures to which your attention will be invited are Bills for the more effective control of national finance; for the revision of the existing provisions for Government purchases; for amending the Naturalization Act; and for amending the Copyright Act.

The reference to the Supreme Court of Canada of the respective jurisdictions of the Dominion and Provinces over radio broadcasting necessarily postpones any definite legislative action being taken until the opinion of the Court of last resort has been obtained.

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. The estimates will manifest my Ministers' resolve that, until the revenues of the country reflect a definite improvement in the economic situation, every economy compatible with the proper administration of the State will be exercised.

Honourable Members of the Senate:

Members of the House of Commons:

The policies and measures I have outlined are based upon the firm belief of my Government that this country is soon to enter upon a new era of prosperity, and that the proper development of its vast resources by a people pledged to unity and co-operation, and endowed with courage and industry, will ensure to Canada a leading place among the nations. I pray that Divine Providence, which has made you citizens of this favoured land, may guide and bless your deliberations.

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

The sitting of the Senate was resumed.

Prayers.

RAILWAY BILL

FIRST READING

Bill —, an Act relating to railways.—Hon. Mr. Robertson.

CONSIDERATION OF HIS EXCELLENCY'S SPEECH

On motion of Hon. Mr. Willoughby, it was ordered that the speech of His Excellency the Administrator be taken into consideration on Tuesday next.

COMMITTEE ON ORDERS AND PRIVILEGES

Hon. Mr. WILLOUGHBY moved:

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

The motion was agreed to.

COMMITTEE OF SELECTION

Hon. Mr. WILLOUGHBY moved:

That the following senators be appointed a Committee of Selection to nominate senators to serve on the several standing committees during the present session: the Honourable Messieurs Belcourt, Buchanan, Dandurand, Daniel, Graham, Robertson, Sharpe, Tanner and the mover.

Hon. Mr. DANDURAND: Is that the same committee that was appointed last year?

Hon. Mr. WILLOUGHBY: The same committee, exactly.

The motion was agreed to.

The Senate adjourned until Tuesday, March 17, at 8 p.m.

THE SENATE

Tuesday, March 17, 1931.

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

Prayers and routine proceedings.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate proceeded to the consideration of His Excellency the Administrator's speech at the opening of the session.

Hon. F. L. SCHAFFNER moved:

That the following Address be presented to His Excellency the Administrator to offer the humble thanks of this House to His Excellency for the gracious Speech which he has been pleased to make to both Houses of Parliament; namely:

To His Excellency the Right Honourable Lyman Poore Duff, Administrator of the Government.

May it please Your Excellency:

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

He said: Honourable senators, on rising to move the Address in reply to the Speech from the Throne, I say at once that if this honour were to be confined to myself I should have wished that it had been given to some other honourable member, who would have discharged the duty with greater credit than I fear it is possible for me to do. Recognizing, however, that the honour is not merely personal, but has been bestowed principally upon the splendid Province of Manitoba, which has been my home for many years, I wish to express my appreciation to the Right Honourable the Prime Minister and the Honourable the Minister of Labour, who, I am pleased to say, is a highly esteemed member of this Chamber. It is a matter of particular pride that this is the second time my province has been so honoured.

The march of time has brought with it the periodic change in the viceregal government of our Dominion, a change which in the latest instance was hastened somewhat by the choice of our late Governor General for important service in another part of the Empire. Earl Willingdon, closely following the record of his predecessors, gave to Canada most willing and useful service, in which he was loyally and efficiently seconded by Lady Willingdon. Both bear with them the grateful recognition and thanks of the Canadian people, and our equally sympathetic and hearty good wishes for abundant success in the onerous duties awaiting them in their new sphere of action. The selection by the King of Lord Bessborough to represent His Majesty in succession to Earl Willingdon will command the hearty and universal approval of the Canadian people, both because of the high personal and business qualifications of the viceroy himself, and the happy racial relationship of Lady Bessborough to the early founders of Canada, whose descendants form a large part of our population and constitute so important a factor in our progress and development. The new Governor General and his estimable lady will be sure of a warm welcome to our shores, and of loyal and sympathetic support during their term of service.

Honourable senators, we are assembled in the Parliament of this great Dominion to deal with the most tense financial and economic conditions, which are world-wide and causing concern to legislators of every country. Though our financial and economic position to-day is such as to give ground for anxiety and very serious thought to this Parliament, and especially to the great leader who sits in the Prime Minister's chair in another place, and the loyal men who surround him as advisers, and though depression may exist in all countries in the world, Canada will be at least one of the first to emerge again at its normal level. Our country abounds in resources over which, as has been said, the ground has been merely scratched; it is a comparatively new country, not pressed down with such crushing burdens as those with which the older parts of the world are laden. I think it is a fair statement that this Dominion is the most prosperous place in

civilization, excepting perhaps France. The way may look somewhat dark, and, according to rumour, it may be stormy for a while; but as with nature, after the storm the sun will shine, and with the co-operation of Parliament and the people, this country will arise greater and stronger than ever.

The Prince of Wales once said, "Canada is one of the most astonishing examples of expansion and development the world has ever known." That is a fairly broad expression, but who can say that the truth is overstated? Once the policy of this Government for the development of home industries is put fully into practice, with the energetic co-operation of our people, the wonderful resources of the Dominion will be instrumental in creating an enviable position for this country in the not far distant future.

Many times, in many places, public men of this country have referred to our great resources, such as agriculture, fisheries, minerals, water-power, lumber, and so on. May I call your attention to some of the most important which have brought Canada to the favourable position it occupies to-day?

The mineral products of this country in 1900 were valued at $64,000,000; in 1928, $260,000,000. Ninety per cent of the world's nickel, 76 per cent of its asbestos, and 25 per cent of its cobalt come from Canada, and our production of gold and silver ranks high.

The late Minister of the Interior issued a statement showing the relation between the mineral industry and water-power. Two significant points were brought out. In addition to the ore reserve that has already been blanketed, and the discoveries that have already been made, there is an area of more than 3,000,000 square miles, being eighty per cent of the total area of the Dominion, which forms a prospective mineral field. The other point was in regard to the extent of the water-power resources of the Dominion. The water-power at present recorded is some forty million horse-power, of which only about eight million horse-power has as yet been utilized.

Another great industry of Canada might be mentioned—life insurance, which, up to December 31, 1929, amounted to six billions. Again, our investments indicate confidence in our country by its own citizens. Out of an aggregate of about eighteen billions only one-third is foreign. True, other countries have investments in this Dominion. It has been stated in this country and in Great Britain that the United States is gaining economic control of Canada. Is there any authority for such a sweeping statement? To repeat, of eighteen billions of dollars invested here only one-third is foreign capital. Can we not take an optimistic view of the situation? The United States has, undoubtedly, large investments in Canada; but has it not been asserted that capital is usually followed by its owners into the country of investment, and that eventually capital is nationalized? The present levels of Canadian securities, and the dividends paid, show that investments made in past years have brought substantial returns. Again, in the last quarter of a century the productive capacity of industries has increased from $4,000,000 to $3,500,000,000.

However important and profitable are the various other industries of the country, I have no doubt that the greatest industry of all in Canada is yet, and will be in the future, the agricultural industry. Our gross agricultural wealth in 1929 was practically eight billions of dollars. The total agricultural revenue in 1929 was something over a billion and a half. The total area sown to field crops was sixty million acres. The acreage of wheat in Canada is twenty-four and a half millions, of which the Prairie Provinces provide about twenty-four millions.

Not only does the agricultural production of this country aid the rural districts, but it aids probably more than does any other industry the great harbours of Canada, the harbours of Montreal, Vancouver, Quebec, Halifax, Saint John, Churchill, Fort William, and other ports.

We will all admit that the great aid to the return of prosperity will be the increased purchasing power of the people, and it does seem to me, rightly or wrongly, that if we can increase the purchasing power of the people engaged in the agricultural industry of this country, it will do more than any other factor in restoring prosperity.

A fair criticism of the speeches from the Throne in the past has been they were more notable for what they omitted than for what they contained. Such criticism cannot be applied to the speech presented by His Excellency the Administrator in this Chamber on Thursday last, so much is portended in that speech on so many important items, such as, to mention them briefly, further tariff revision, a Bill to create a Tariff Board, radio legislation, old age pensions, and of very great importance, the cutting down of the Estimates. The following announcement, contained in the speech, is noted with pleasure:

> The present situation has emphasized the necessity of effecting a reduction in the costs of production and marketing of the wheat crop and of providing more stable markets, as the welfare of all parts of Canada is involved in satisfactory returns being received by the grain growers.

The speech also says:

My ministers have had under anxious consideration the means by which an orderly marketing of the wheat crop of Western Canada may be assured, and have already taken such effective action towards that end as the circumstances appear to justify. My ministers are aware that changing conditions in the world's markets may necessitate further intervention by my Government, which is prepared to render whatever additional assistance may be deemed advisable in the national interest.

Before concluding my brief reference to the extension of our markets I wish to say a word as to our trade commissioners, and the ministers plenipotentiary, such as we have at Washington, Paris and Tokio. Our ministers plenipotentiary are possibly essential, but I am confident that trade agents and trade commissioners, granted that they are men of energy, industry and experience, are the soundest means of extending our trade with foreign countries. It has been my privilege to come into contact with our trade commissioners in several foreign countries, and it has ever been my belief that the man who is in close touch with the people of any of these foreign countries can do more for the extension of our trade than the so-called ministers plenipotentiary, who, however good they may be, do not come into contact with the "man on the street" as do the trade commissioners.

I wish to refer briefly to the onerous task that has been placed upon the present Minister of Labour, who is a member of this House (Hon. Mr. Robertson), and to express my appreciation of that honourable gentleman. He has been charged with perhaps the most difficult duties that have ever fallen to the lot of any cabinet minister other than the Prime Minister. Surely there is not a member on either side of this House who will not affirm that the Minister of Labour has exhibited great tact, and given evidence that not only is he well-informed, but he also possesses to a great degree those qualities which are so necessary in administering the twenty millions given by this Parliament at the 1930 session for the relief of the great number of unemployed. According to information which I have been able to obtain, 228,351 have been given employment and about four million man-days' work has been supplied from the commencement of operations up to the end of last month. Direct relief has been given to 11,138 families, and to 86,164 individuals. The co-operation of the provincial governments, the municipalities and our two great railway systems was, I may say, all that could be desired. Further, the policy propounded by the present Government for the protection of home industries, and embodied in legislation placed in the Statutes of Canada at the special session has, though the time has been short, given very favourable results in securing the establishment of foreign industries in this country and the reopening of industries that for many years had been closed. Some of these may be mentioned.

The Herbert Hosiery Company have established at Toronto.

The Joseph Dixon Crucible Company, of Jersey City, have taken over the Cane Pencil Company at Newmarket.

Eastern Power Devices, Limited, of Greensburg, Pa., have established at Toronto.

Western Canadian Silks, Limited, at Port Moody, B.C.

Everett & Barron Company, of Providence, R.I., established a branch at Toronto under the name of Everett & Barron of Canada, Limited, to manufacture shoe dressings, leather dyes, etc.

Hield Brothers, Limited, of Crossmills, England, are establishing here, very probably at Kingston.

Steadfast Rubber Company, an American firm, have established at Granby, P.Q.

The Esmond Mills, of Esmond, R.I., have established a plant at Granby, P.Q., where they will manufacture their famous make of blankets.

Messrs. Hiram, Leach & Company, Limited, English woollen manufacturers, are establishing a branch factory at Huntingdon, P.Q.

Campbell Soup Company have established in Canada at New Toronto, as Canadian Campbell Soup, Limited.

Anaconda American Brass Company have also established at New Toronto.

Four United States manufacturers of electrical equipment have established in this country, namely, the Curtis Lighting Company, the Wheeler Reflector Company, the Dennison Electric Company, the Packard Cable Company, of Warren, Ohio.

The Bundy Incubator Company have established at Oshawa, and the Shaeffer-Ross Company, of New York, the Newton Products, Limited, the Everlastic Rubber Company, and the Lynn Canadian Company, manufacturers of oil-burning equipment, have all established in Canada.

A. W. Higgins Company, of Presque Ile, Maine, have established a fertilizing plant at West St. John, N.B., which is only one of many fertilizing plants which have either reopened or been established since the tariff changes of August last.

The Smith Agricultural Chemical Company, of Indianapolis, Indiana, propose to erect a plant in Canada, Toronto being suggested as the proposed site.

Crucible Steel Inc., of Pittsburg and Midland, Pa., Harrison and Jersey City, N.J., Syracuse and Auburn, N.Y., contemplate establishing a branch near Hamilton.

Kellogg & Company, of Battle Creek, Mich., manufacturers of breakfast foods, are establishing at London, Ontario, as Kellogg Company of Canada.

Five new industries have located recently at Oshawa, but I am unaware of the names of the firms, or the nature of the goods manufactured, except that I understand one is a canning factory.

The A.B.C. Washer Company, of Peoria, Ill., is establishing in Granby, P.Q.

The Bridgeford Coach Lace Company, of Bridgeford and Melford, Conn., and Chelsea, Mass., is establishing at St. Hyacinthe, P.Q.

A. S. Donahue Company, of Chelsea, Mass., is establishing an elastic web and garter plant at St. Hyacinthe, P.Q.

Tallman Brass and Metal, Limited, at Hamilton, are manufacturing bronze and aluminium castings, babbit metal, etc.

Barry & Staines, established at Farnham, P.Q., to manufacture linoleum.

Metal Textile Corporation, Limited, at Hamilton, is a branch of the Metal Textile Corporation of Orange, N.J.

This, honourable senators, is not a complete list, and it may be a surprise to some who have not given attention to what has been accomplished to learn that since last August, when the policy of this Government was announced to the country, the following mills, which for years had been closed, have been reopened, some with Canadian capital, others with foreign capital:

Renfrew Woollen Mills, which had been closed for four years, have been reopened by M. J. O'Brien & Company.

Hespeler Woollen Mills, closed for several years, have been reopened by the Dominion Woollens & Worsteds, Ltd.

Rockwood Woollen Mills, closed since 1929, reopened last fall.

The Hawthorne Mills at Carleton Place, closed for several years, have been purchased by the George Hurst, of Batley, England, who are investing one-half million dollars in the new plant.

Pembroke Woollen Mills, which for some years have been used as a market place, have been reopened.

Hon. Mr. CASGRAIN: May I ask the honourable gentleman a question?

Hon. Mr. SCHAFFNER: Certainly.

Hon. Mr. CASGRAIN: Can the honourable gentleman tell me if it is true that the plant of the Canadian Cotton Mills in New Brunswick has been dismantled?

Hon. Mr. SCHAFFNER: That is not on my list. I do not refer to any that is dismantled.

Right Hon. Mr. GRAHAM: It is not in the book.

Hon. Mr. CHAPAIS: Why should it be?

Hon. Mr. SCHAFFNER: The Speech from the Throne—

Right Hon. Sir GEORGE E. FOSTER: —must leave something for my honourable friends.

Hon. Mr. SCHAFFNER: The Speech from the Throne was the longest and most specific document of its kind that Parliament has had for many a day. The Prime Minister has told Parliament and the country that he is doing, and intends to continue doing, what he promised the country he would do.

Once again, as in previous years, the people of Canada have turned in their distress to the Conservative Party, believing that the policy of this party will start Canada once again on the trail of progress and prosperity. History repeats itself, and we earnestly hope it will be with similar results. It is a policy which, upon the whole, is very similar in ideals to the policy inaugurated by that great leader Sir John A. Macdonald; changed in degree, to be sure, owing to changed conditions, but never losing sight of the great national principle, "Canada for Canadians."

In closing, I wish to appeal to this Parliament and to the people of Canada for cooperation and unity of purpose in this national crisis. I ask that we forget, for a time at least, that there is an East and a West. The West needs the East, and I am sure the East needs the West.

Hon. T. J. BOURQUE (Translation): Honourable gentlemen, my first duty is to thank the Government for having done me the honour of asking me to second the Address in reply to the Speech from the Throne. I recognize that the principal reason for this was the desire to honour the Acadian race, of which I am one of the representatives in this Chamber. The Acadians, who are rapidly growing in numbers and influence in the Maritime Provinces, are always happy to take part in the country's affairs and to fulfil

generously and loyally their duties as citizens of Canada, their native land, to which they are deeply attached.

For the first time in the history of this country the Canadian Parliament has been opened by a Canadian. This is an extraordinary incident in our national life. It arises from the fact that Canada has just lost its Governor General, who during his sojourn in our midst has won the esteem of all Canadians, and whose remarkable talent for diplomacy will in future be exercised in a country now confronted with difficult and important problems.

Lord Willingdon's successor is a statesman of long experience who has distinguished himself also on the field of battle, in the Great War, and his coming to Canada will be welcomed with joy and with the respect and loyalty that we owe to the British Crown, of which he is the representative.

The Speech from the Throne mentions the general depression that has prevailed for some time in all countries of the world, and the wise and vigorous measures that have been taken in Canada to relieve distress, stimulate industry, give employment to workpeople and overcome the financial crisis that we are at present encountering. The Government is to be congratulated upon the ability and courage with which it has met an extremely difficult and threatening situation. I am happy to say that owing to the wise policy pursued by the Government, the Province of New Brunswick up to the present time has passed through the crisis without undue suffering. The works undertaken on the iniative of the Federal Government, with the co-operation of the Province and municipalities, have been of great assistance in improving the situation and lessening unemployment, which has prevailed less among us than anywhere else in Canada.

Agriculture, lumbering and the fisheries are the chief industries of my province. All these occupations have been seriously affected by the economic depression. The new tariff imposed by Cuba against Canadian potatoes is a severe blow to us, especially in New Brunswick and Prince Edward Island, where potatoes are grown on an extensive scale. It is to be hoped that some remedy may be found for the present deplorable state of affairs.

The fisheries are of primary importance in the Maritime Provinces—of the same relative importance to the Maritime Provinces as wheat growing is to the West. They provide employment for large numbers of people and are an abundant source of revenue. It is incumbent upon the Fisheries Department to give particular attention to this industry in order to maintain and develop it. The products of our Atlantic coast fisheries are unsurpassed. Our fish are noted for their choice, exquisite quality. Need I mention our oysters, known everywhere for their excellence; our lobsters, exported to the four corners of the world; our salmon, fresh and frozen, which has now entered the Old Country markets; our mackerel, smelts, cod and other varieties of fish which abound along our coasts? In the last few years especially this industry has been given a remarkable impetus, and it is the duty of the authorities to encourage and protect the fishermen who engage in it, oftentimes at great risk.

The Government's attitude towards old age pensions has been approved by the people, and I am glad to observe in the Speech from the Throne that the Government intends to take the necessary steps to give effect to the policy it has advocated in this respect.

The Government has devoted special attention to the question of the tariff. It is apparent that the measures it has taken have exercised a salutary influence on industry and trade in Canada, which in general have been stimulated by the protection afforded them, and are consequently providing more employment for the workers in this country.

It is to be hoped that the Imperial Conference, whose meetings have been adjourned until next autumn, and which will resume its labours in Ottawa, will be carried to a successful conclusion and will have beneficial results, both for our country and for the British Empire as a whole. It is a matter of pride for us to note that the Prime Minister and his colleagues who represented Canada at this Conference have upheld the great traditions of the past.

Before resuming my seat I desire to take advantage of this opportunity to congratulate you, Mr. Speaker, upon being appointed to preside over this august assembly. You possess in a high degree all the qualities that are necessary for the honourable, impartial and fair performance of the duties of Speaker of this honourable body.

Honourable senators, I thank you for the kind attention that you have given me, and I am sure that our deliberations at this session will be characterized by harmony, good understanding and such happy results as have attended them in the past.

(Text) Honourable senators, I am well aware that many of you have not been able to follow me in the few remarks that I have just concluded in the French language, my mother tongue. Nevertheless, I thank you sincerely for the attention you have given me. I appreciate deeply the honour that was conferred upon me in the invitation to second the Address in reply to the Speech from the Throne. I realize that the honour was especially intended for the race whom it is my privilege to represent in Parliament.

Hon. RAOUL DANDURAND: Honourable senators, I am sure that all honourable members of this Chamber will agree with me that the Government made an excellent choice in asking the honourable senator from Boissevain (Hon. Mr. Schaffner) and the honourable senator from Richibucto (Hon. Mr. Bourque) to move and second the Address. There was nothing in the matter nor in the form of the honourable gentlemen's speeches to which anyone could object. We should hear these honourable gentlemen oftener. They are, I will confess, near to my heart, and the more we hear from them the wiser we shall be.

The Speech from the Throne does not refer to the departure of Lord Willingdon nor the appointment of his successor. We enjoyed the presence of Lord and Lady Willingdon in Canada. They were able representatives of His Majesty the King, as I am sure their successors will be. It seems to me that perhaps the last Imperial Conference would have been an opportune occasion for considering an alteration in the title which we give to the representative of the Crown in this country. The title Governor General is a very old one, and for a great many years it was a fitting one. Just as in olden days the King governed in England, so the Governor did in fact govern in the colony to which he was sent. But Governors General of a Dominion no longer govern; they are simply direct representatives of the King, who likewise no longer governs in Great Britain. Therefore it seems to me logical—though perhaps that is because of my Latin mind—that, as I have suggested before in this Chamber, we should have for His Majesty's representative a new title, that of Viceroy.

Hon. Mr. DANIEL: He is the Commander-in-Chief of our Army and Navy.

Hon. Mr. DANDURAND: Yes, but he would still be that as Viceroy of Canada.

I have read the Government's statement which was delivered by His Excellency the Administrator in this Chamber last week, and I find that it deals mainly with the economic situation in Canada. It is quite natural that that should be so, for every Canadian is concerned over that situation. In the Speech from the Throne it is admitted that world-wide conditions are a factor in the depression that we are experiencing, but it is also stated that conditions anterior to the world crisis have accentuated our domestic distress. Taken with its context, this means that until last year our tariff was too low, and with this point of view I desire to take issue. My honourable friend from Boissevain (Hon. Mr. Schaffner) said that the people have turned, as they did in former periods of distress, to the Conservative Party. I would remind him that we were in a state of deep depression in 1921, when the then Government appealed to the country, and the people, as usual, turned towards the Liberal Party for relief. As honourable members know, from 1922 to 1930 we had a fairly high tariff, for it was, on the whole, rather above 25 per cent. If my honourable friends opposite would compare that with the tariff of the countries with which we deal, they would agree with me that our tariff was high. But it was tempered by the British preference, which the Liberal Government had established in 1897, and it was tempered also to a large extent by our many commercial treaties.

What happened under those conditions? Nobody will deny that during 1923 and the years that followed, up to 1929, this country was very prosperous. The trade returns indicate it. I will simply give the figures. The exports of 1922 amounted to $753,900,000, and those of 1929 to $1,388,800,000, or nearly double. Industries throughout Canada were thriving.

My honourable friend has read a list of new industries established, or industries revived since September last. I will ask him to look at the statistics, where he will find that hundreds of new industries were established, and as many enlarged, during the period from 1922 to 1929. I have not the official statistics at hand, but I have cited them before. A rapidly taken census of the new institutions that have opened or that are intending to open will show that there is no comparison either in number or in size with what took place during the eight or nine years preceding the incoming of the present Government.

During those eight years from 1922 there was considerable optimism throughout the land, and industrial stocks were soaring—soaring to such a point that people went mad. Industrial stocks paying 6 per cent, with accumulated reserves and surplus dividends,

mounted to $200. A speculator would say, "It is true that this gives me a return of only 3 per cent, but think of the future development of this country." Such was the optimism that the prices of stocks rose until the dividend was no more than 2 per cent. Stocks were divided, and profits given to the shareholders. Stocks were "watered" on the basis of reserves. That is what occurred up to 1929.

My honourable friend from Boissevain (Hon. Mr. Schaffner) may very well say that no other country ever ranked as high with the outside world as Canada does. The position to which my honourable friend has referred was not established yesterday. Since 1923 I have been crossing the ocean from year to year and meeting representatives of many countries, some of whom, with long faces and depressed spirits, have turned towards Canada and said, "What a lucky country you are!" That was the view which prevailed during the eight years of the regime of the Liberal Government. It may be said, "Well, that was probably a fair policy in fair weather, but it is a weak one in time of stress." I venture to say, honourable senators, that had it not been for the wheat slump we should have stood the test.

The Speech from the Throne says that Canada has been spared in some degree the hardships suffered by other nations. It has been spared, and I say that but for our wheat difficulties Canada would have gallantly ridden the storm, because our purchasing power would hardly have been affected. We have suffered from depression to a lesser extent, I should say, than the other countries of the world. To meet that temporary condition the present Government says, "The remedy is a higher tariff wall." If that were the true gospel, and if it were recognized throughout the world and generally applied, what would it mean? It would mean that every nation would be living within high tariff walls, and that outside trade would be denied; there would be no exchange, for the higher the tariff walls the greater would be the prosperity within those walls.

The Prime Minister has announced a higher tariff. I have stated what has been the average tariff. My right honourable friend the junior member for Ottawa (Right Hon. Sir George E. Foster) has had a hand in the making and administering of tariffs, and he knows what kind of tariff we have had during his regime and since: he knows that it was more than a moderate tariff. Having announced a higher tariff, the Prime Minister, as a logical sequence, proposes the denunciation of commercial treaties, because he has been asserting—and we have heard it stated also in this Chamber—that those treaties were lowering the customs duties and reducing the protection to our industries. A higher tariff and the denunciation of commercial treaties are the principles for which my right honourable friend the Prime Minister stands. I would ask my honourable friends who face me to bring us information as to the number of commercial treaties that at this date have been denounced. Such treaties, since September last, are supposed to have been hurting the trade of Canada if they have been lowering the duties and running counter to the orthodox doctrine of high tariff.

At the same time, almost in the same breath, the right honourable gentleman says that he will strive for wider markets. This statement is to be found in the Speech from the Throne, and it was made officially in clear-cut terms by the right honourable gentleman from his place in Parliament during the short session of 1930. Surely the two policies are inconsistent. One cannot blast his way into foreign markets while refusing to open his own markets. There are always two parties to a bargain, and fair trade is fair exchange. We may raise our tariff walls, but in so doing we endanger—we may even destroy—our export trade, which provides, to a large extent, and has provided, employment for thousands and tens of thousands of working men engaged in our industries.

Surely no one in this Chamber will claim that we should be limited to our domestic market. Many of our commodities we export, and must export. Take wheat for example. We shall have to find export markets for our wheat and many other things that go to swell our volume of trade. Shall we obtain any favours in foreign markets without giving favours in return? We read last week or the week before that France had erected a tariff of $2.50 against Australian wheat, because Australia had raised its tariff wall so high that no French goods could pass over it.

Hon. Mr. CASGRAIN: That is $2.50 on 100 kilos.

Hon. Mr. DANDURAND: Two dollars and a half per quintal. France is protecting itself against the importation of wheat from Australia because Australia will not reciprocate.

When the Prime Minister came back from Europe he stated, and I was very glad to hear it, that the French Government would buy some of our wheat. But, I should like to inquire, did he obtain that promise just for the asking? What did he give in return?

There, as elsewhere, there must be give and take. The present Government, or any Government, cannot escape the fundamental law of commerce, which is exchange.

Let us take the case of the United States. The United States has a varied climate and varied production; that country is better situated than any other country in the world to attempt to live in isolation and to be self-contained. Yet the United States have not been content with only their domestic market: they have built up an immense export trade, and in spite of their high tariff they have imported to the extent of 67 per cent of the value of their total exports of manufactured goods. In 1929 the United States bought $1,600,000,000 worth of manufactured goods from outside countries. That is a very interesting situation.

An American economist, bent upon finding solutions for the economic problems of the United States, attributes the development of the economic crisis, which, he declares, started in that country, to the decrease in their purchasing power, which decrease prevented the United States from buying from foreign countries whose markets were awaiting them. The result was, he says, that in those countries prices went down and industry was retarded; their purchasing power was therefore materially reduced and they in turn had to reduce their purchases from the United States. What conclusion is to be drawn from that? The United States were unable to buy because of the reduction in their purchasing power in the autumn of 1929, and could not sell because they had injuriously affected other countries from which they were in the habit of buying. Here are his words:

> Our diminished imports reacted unfavourably upon them and contributed to the fall of prices, resulting in a condition of distress, and as our business from them has fallen off and their purchasing power has been curtailed, their ability to buy from us has been correspondingly reduced.

You have there, honourable senators, the action and the reaction, showing how interlocked are the nations economically

Now, to cure their passing ills the United States, like Canada, have turned to the nostrum of a still higher tariff. Already, by reducing their purchases, they had brought distress to their foreign clients, who, in the same measure, ceased to buy from them; then the situation was aggravated by a higher tariff. The result has been most damaging to Europe and to the United States as well. Imports and exports between the United States and Europe have gone down tremendously and on both sides of the ocean unemployment has increased.

It is true that an increase in the tariff may benefit some producers, but it may be injuriously affecting the country as a whole. Increased employment may appear here and there, but the health of the country may seriously decline, and this will surely be the case in a country to which foreign trade is an absolute necessity.

There are two schools of thought in economics—the Cobden school of free trade, and the high protection school. The Liberal Party of Canada has stood between the two extremes. To a certain degree it has accepted competition from outside; but it has maintained a tariff such as I have described in order to give a fair chance to the consumer and at the same time to develop foreign trade.

We had a rather severe economic depression in 1920, 1921 and 1922. The Conservative Party went down to defeat. The spirits of the people were depressed. We had to face that condition there just as my honourable friends opposite have had to face the present conditions. Did we resort to a higher tariff? On the contrary, we simply did what the Borden-Meighen Government had done: we tried to adjust ourselves to conditions by maintaining a fair protection, at the same time developing our industries and our foreign trade. I do not recall in exactly what month the Borden Government was replaced by the Meighen Government, but at that time there was an opportunity to resort to the remedy that is now offered to us. Yet the Government did nothing of the kind. On the contrary, they removed the seven per cent increase which had been imposed at the beginning of the war. I may be told that the imposition of that seven per cent was a war measure; nevertheless, when it was removed we had just emerged from the war and had still to face its consequences. Though we were entering on a period of depression, the Government decided to bring the tariff back to the average figure which I have given of 25 per cent or, it may be, 26 per cent. It was at one fell blow reduced by seven per cent. And, if I am not mistaken, the Meighen Government reduced the duties on agricultural implements. But the policy which the late Government adhered to soon restored the country to a high degree of prosperity. In two or three years the national finances were re-established on a sound basis, large surpluses had accumulated, and there was a reduction in the country's debt and in taxation. That Government did not see fit to resort to the measures which are being commended by my honourable friends opposite. But I wish them success, for I am a Canadian first. I hope their policy will not

impede the development and prosperity of the country. If the present Government, during this Parliament, do as much for Canada as was done during the first Parliament of the late Government, I shall thank Providence.

Hon. G. LYNCH-STAUNTON: Will the honourable gentleman answer a question? Did not the late Administration in the last session in which they were in power raise the tariff to a higher level than it had ever before been at in the history of Canada?

Hon. Mr. DANDURAND: If my honourable friend will consider the Dunning modifications, the Dunning Budget—

Hon. Mr. LYNCH-STAUNTON: No, I mean the general tariff; I am not referring to preference. Did they not raise the general tariff against countries outside the Empire to a higher level than it had ever been at before?

Hon. Mr. DANDURAND: If my honourable friend is referring to the mean level of the tariff, I answer his question in the negative. The late Government increased the duties on steel. Bounties were given to iron and steel producers in the East and the West, and the tariff was increased on some articles. I would remind my honourable friend that a tariff is not like the laws of the Medes; on the contrary, it can be modified and readjusted occasionally as conditions warrant. But there is a great difference between a policy like that of the former Administration and one which would result in high protection on most of the items on the tariff.

Hon. Mr. LYNCH-STAUNTON: Do I understand the honourable gentleman to agree that they did raise the tariff to a higher level than it ever had been at before?

Hon. Mr. DANDURAND: No, I cannot say that.

Hon. Mr. LYNCH-STAUNTON: I should like to understand what the honourable gentleman does say.

Hon. Mr. DANDURAND: I answer my honourable friend in the negative, while admitting that we did raise the tariff on certain items.

Hon. W. B. WILLOUGHBY: Honourable senators, for physical if for no other reasons, I have no intention of following the honourable leader on the other side in a discussion on the tariff. My purpose in rising is to express my compliments to the honourable members who have moved and seconded the Address. I think it is a well established custom that the leaders on both sides of this Chamber should congratulate the mover and the seconder of the Address, but I desire to do so now, not merely from a sense of duty, but because it is a pleasure to do so. My honourable friend who moved the Address (Hon. Mr. Schaffner) is an old parliamentarian. Coming from the West as I do, I realize that it was only because he was an able politician and highly esteemed by the people that he was able to hold an agricultural seat in Manitoba for the Conservatives in the reciprocity election. He was possessed of both attributes, ability and acceptability to the people. I have had an opportunity of observing some of the services that he has rendered on committees of this House, and I know of no honourable member who is more regular in his attendance at committee meetings and more efficient in his duties. In common with most Anglo-Saxons, I have not the good fortune to be a good bilinguist; but I understood and greatly enjoyed the speech of the honourable gentleman from Richibucto (Hon. Mr. Bourque) when he spoke in his mother tongue. I am sure I express the sentiments of all other honourable members when I say that we should like to hear these two honourable gentlemen oftener. Perhaps it may not be out of place to remark here that there are a number of honourable members in this House who were formerly distinguished members of another place and who speak to us here too rarely. These honourable gentlemen, who perhaps became tired of the strenuous life in the other House, have a ripe experience from which we should be glad to profit. Then, too, there are a number of honourable senators who had no political experience prior to their appointment to this Chamber, but who hold eminent positions in the business and professional world, and whose opinions we should like to hear expressed more frequently.

If no other honourable member has anything to say, I would move that the House adjourn.

Hon. Mr. DANDURAND: Did my honourable friend adjourn the debate?

Hon. Mr. WILLOUGHBY: I have finished what I have to say.

Hon. Mr. DANDURAND: But if any other honourable member has anything to say—

Hon. Mr. WILLOUGHBY: All right.

Hon. G. D. ROBERTSON: I move the adjournment of the debate. I am not sure that I shall have anything to say to-morrow, but some other honourable gentlemen may wish to speak.

The debate was adjourned.

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

THE SENATE

Wednesday, March 18, 1931.

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

Prayers and routine proceedings.

SELECT STANDING COMMITTEES

REPORT OF COMMITTEE OF SELECTION

Hon. Mr. WILLOUGHBY presented, and moved concurrence in, the report of the Committee of Selection.

He said: The names of the honourable members appointed to the various committees are stated, but I shall not read them, as the entire report will appear in the Minutes of Proceedings.

Hon. Mr. DANDURAND: There have been very few changes made in the lists of those committees as they stood last year. It is somewhat difficult in organizing the committees to bring new senators into them. The impression prevails in the Senate that appointment to a committee is for life.

Right Hon. Sir GEORGE E. FOSTER: A matter of vested rights.

Hon. Mr. DANDURAND: And that newcomers are eligible only when vacancies occur. It had been suggested—and this morning we acted upon the suggestion to a limited extent—that a senator who has been a member of a committee and for two sessions has not served on it should waive his traditional right to continue on that committee, just as he would forfeit his right to sit in the Senate if for two consecutive sessions he failed to attend. My purpose in mentioning this is that honourable members may realize that their prolonged absence from a committee will be an indication to the striking committee of the fact that they are not interested in the work.

Right Hon. Sir GEORGE E. FOSTER: Honourable members, perhaps I can facilitate the action of the Chamber in respect of what my honourable friend has said. For some years now I have had a position upon one of the committees of this House; I think, the Committee on Commerce and Trade Relations. The amount of work done and the burden of responsibility have not been very heavy. Perhaps under new conditions more work may be given to that committee. I should be very glad to bow to the inevitable and to vacate the place that I have unworthily held on that committee, in favour of one of the younger scouts of this Chamber.

Right Hon. Mr. GRAHAM: Too late.

The report was concurred in.

PRINTING OF PARLIAMENT

APPOINTMENT OF COMMITTEE

Hon. Mr. WILLOUGHBY moved:

That a message be sent to the House of Commons by one of the Clerks at the Table, to inform that House that the Hon. Senators Aylesworth (Sir Allen), Buchanan, Chapais, Donnelly, Farrell, Green, Hatfield, Horsey, Legris, Lewis, McDonald, McLean, McLennan, Pope, Raymond, Robinson, Sharpe, Taylor, Todd, White (Inkerman) and White (Pembroke) be appointed a committee to superintend the printing of the Senate during the present session, and to act on behalf of the Senate as members of a Joint Committee of both Houses on the subject of the printing of Parliament.

Hon. RODOLPHE LEMIEUX: Honourable members of the Senate, during the emergency session of last year I received Hansard of the previous session, but only the French version. I sent for the English version, but was denied it. At the opening of this session, or shortly before, I received Hansard for the emergency session, also in French. I value greatly the document in French, but I have always thought that members of either House were entitled to both the English and the French editions. I have made my complaint to our esteemed Clerk, and I should like the members of the Joint Committee to inform the Distribution Office that members of the Senate—I think I am the spokesman of all the French members of this House—would like to have both versions.

Hon. Mr. WILLOUGHBY: I presume the remarks of the honourable gentleman will be formally brought to the attention of the committee, although the members are present here to-day, and that they will be in a position to take such action in the matter as they deem fitting.

The motion was agreed to.

THE LATE SENATOR TURRIFF

TRIBUTES TO HIS MEMORY

Hon. W. B. WILLOUGHBY: Honourable senators, there devolves upon me as leader of this House a duty which is not as pleasant as the others I have had to discharge since we have met in session, and that is to allude to the death of Senator Turriff. Unfortunately, at every session we have to mourn the loss of one or more senators, to whom we pay our tribute of respect, somewhat like the ancient Romans who used to say to those about to die, "We salute you."

It was my privilege to know of Senator Turriff for a long time before I met him. I am a pioneer of Western Canada, but in a lesser degree than Senator Turriff. He was one of the very early settlers who took part in the public life of the West. Long before the formation of the provinces he was a member of the old Assembly, having been elected to that body three times. Those were stirring days; even more stirring than we have witnessed since. There was constant strife between Ottawa, representing those in charge of the administration, and a population always demanding more rights and powers than were accorded to them; not wholly dissatisfied, but pressing on, and chafing at any delay in securing the privileges that were to be enjoyed under the British North America Act in a full-fledged province.

Senator Turriff then, as you know, entered Dominion politics as the representative of the Assiniboia district. On three occasions he was elected. Once he was defeated, but only after making a most remarkable run against the then Minister of the Interior. The late senator was a born fighter. He stripped for the fight, struck hard, and spared not, nor did he ask for quarter from the other side. Later, as older members of the House will know, he became identified with the administration, holding an official post at Ottawa in the Department of the Interior. He was a good executive officer. Those who recall Sir Clifford Sifton as Minister of that Department know that he was a great driving force. There had been a time when the administration of the West was not conducted with as much despatch as the people desired. Settlement was proceeding rapidly, but progress in other lines was slow and difficult. I remember one of the members in another place, now on the Bench, saying that he used to receive daily from twenty to sixty letters with reference to homesteads and matters pertaining to them. The administrative machinery of the Department of the Interior was very much clogged up. Such was the situation when Sir Clifford Sifton took office. We did not all agree with his policies, but it was due to his executive ability and despatch, and to the assistance of the late Senator Turriff, that conditions were very much improved.

It will be remembered that Senator Turriff was injured in a street railway accident. He had been a fairly vigorous man, though not particularly robust, and I am fairly certain from my own knowledge—for I saw him quite often during his illness—that his life was shortened by that accident. The new senators who did not know him in his more active days, but saw him hobble into this Chamber, a cripple, his life ebbing away, would not realize what a vigorous character he had been.

We of the West are grateful to Senator Turriff as a champion of the rights of those who pioneered in that country, for he was always willing to take up a challenge on behalf of the people of the West. It may be that the West was sometimes impatient. I think it is typical of new countries that they are impatient to get all the advantages of older and more advanced civilization.

Senator Turriff was married twice. He is survived by his wife and four children—three daughters and one son. I am sure every honourable member will agree that, as I said at the outset, such a duty as I am performing now, which falls to the lot of the leader of this House at the commencement of a session, is a mournful one. I know that I voice the feelings of all honourable members when I say that the deepest sympathy of this House is extended to the late Senator Turriff's widow.

Hon. R. DANDURAND: Honourable members, I concur in every word that has been said by the honourable leader of this House in paying tribute to the memory of our late lamented friend and colleague, Hon. Mr. Turriff. I learned to appreciate his work long before he came into this Chamber. That was at a time when there were only two political parties in Canada, when the Progressive group were to be found mostly in the Liberal ranks. Members of that group came from the West, and naturally they understood Western needs and interests better than their colleagues who represented other parts of the country. Mr. Turriff was at that time a member of the other House, and I had opportunities of listening to him when I attended some of the caucuses of the Liberal Party at which the policy of the Laurier administration was shaped. As all honourable members know, the purpose of caucuses is to inquire

into the different currents of opinion throughout the country and try to direct them towards a happy compromise; for politics is the art of compromise. Mr. Turriff fought hard in the interests of the West whenever anything concerning that part of the country was being considered at a caucus. I learned to appreciate his vigour, his clear intellect, his absolute sincerity. Realizing that it was his duty to impress upon his colleagues the views of the West, he always did his best to fulfil that duty. After he became a member of this Chamber we heard him championing here the cause that was nearest to his heart. In latter years we have seen him going down the hill of life, and mellowing to a considerable degree. As I thought of him at times it seemed to me that against the many disadvantages of age there is one advantage, that as we draw near the end of the journey we look upon men and affairs with a softened eye, and a softened heart as well.

I join with the honourable leader of the House in extending sympathy to the bereaved family.

Hon. A. B. GILLIS: Honourable senators, I should like to join briefly in the tribute to the late Senator Turriff. He was one of the first members of the old Legislature of the Northwest Territories, and as such was one of those who laid the foundation of our laws, many of which are still in existence in Saskatchewan and Alberta. It is a sad thought that so many of the pioneers of the West have passed away. The late Senator Turriff was a man of considerable natural ability. Despite our political difference, he and I were always good friends, and I am able to endorse what has already been said, that he was always fighting in the interests of the West. Both in this Chamber and in another place, he could always be depended upon to present the Western viewpoint effectively. Not only the West, but the country generally has suffered a great loss.

PARLIAMENT GROUNDS

VEHICULAR TRAFFIC

Before the Orders of the Day:

Hon. J. J. HUGHES: Honourable senators, I wish to make a few remarks in regard to automobile traffic in the Parliament grounds. As I understand the regulation passed at a recent session, cars coming in through the east gate were obliged to turn to the right and to go around the East Block; they were forbidden to turn to the left. That regulation appears to have been dropped, for I noticed that as cars came through the East Gate to-day, some turned to the right and some to the left. Now, those of us who are getting old and are too poor to ride in automobiles have to be very careful to avoid being run down. Under the existing conditions the likelihood of an accident occuring inside the gates is more than twice as great as it was formerly, because, now, when one sees a car coming one does not know whether it is going to turn towards him or in the opposite direction. I should like to see the old regulation re-established, and I would ask the honourable leader of the House if he will see what can be done in that respect. I should also like to know whether this meets with the approval of other honourable members.

Hon. Mr. WILLOUGHBY: I shall confer with the proper committee and see what, if anything, can be done to remedy the situation, if a change from existing rules is necessary. I shall inform the honourable gentleman later of the result of my interview with the committee.

Hon. Mr. HUGHES: Put the old regulation into force again.

Hon. Mr. WILLOUGHBY: That is your objective, as I understand it.

Hon. Mr. HUGHES: Yes.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate resumed from yesterday consideration of His Excellency the Administrator's speech at the opening of the session and the motion of Hon. Mr. Schaffner for an Address in reply thereto.

Hon. G. D. ROBERTSON: Honourable senators, when I adjourned the debate last night I was hoping that some other honourable member would be ready to proceed to-day, because, I confess, I have had neither the time nor the opportunity to make preparations for an extensive address to the House. But perhaps it is incumbent upon me to say something concerning the development that has taken place in public affairs since the last regular session of the House, in view of the close connection that I have had with many matters of interest to the country as a whole during this time.

First I should like to express my sincere congratulations to the mover and the seconder of the Address in reply to the Speech from the Throne. It is obvious that these honourable gentlemen devoted a great deal of care to the preparation of their speeches, and I am sure that all honourable members are grateful to them. As I listened to the mover

and the seconder last night, it occurred to me that it was fitting that the choice fell upon representatives of the provinces of Manitoba and New Brunswick, for the people of these provinces gave splendid support to the present Government in the last election. However, so far as I know, no such thought happened to be in the minds of those who were responsible for the selection of the honourable gentlemen.

I feel, honourable senators, that much of importance to Canada has occurred since Parliament last met in regular session. The expression of public opinion at the polls resulted in a change in the personnel of the administration. I am sure, though, that there is no feeling of exultation on the part of the Government because of their victory, but rather there is a sincere and sober appreciation of the responsibility of carrying on the public service during the period of depression through which our country, in common with most countries of the world, is at present passing.

I was sorry to hear a remark made the other day, in another place, to the effect that the Right Honourable the Prime Minister's principal objective in calling Parliament together in special session last fall was not to have the unemployment situation dealt with, but rather to have certain changes made in the tariff. I think the right honourable gentleman who made that observation would, on more mature reflection, realize that it was not a statement of fact, for there is no evidence to justify his assertion. But it is a fact, as I am sure all honourable members know, that a year ago the unemployment situation was extremely acute and was becoming worse week by week, and although the administration of that time were importuned by many responsible authorities, including provincial and municipal governments, to take some action with a view to relieving the situation, they did not see fit to act. I have always thought that perhaps one explanation of the then Government's failure to take action in this respect was that they did not have a full appreciation of the difficult conditions existing and the urgent necessity for relief. During the election campaign last summer the present Prime Minister pledged his word to the people that if his party were returned to power he would summon Parliament as early as possible, to deal with the unemployment problem. The people did return his party to power, and as soon thereafter as possible Parliament was convened.

Proposals were then made for authorizing the Government to assist provinces and municipalities in their endeavours to give employment to our citizens who were out of work. The task of drafting a plan for the achievement of the best results was a most difficult one. While it was intended that all who were entitled to relief should get it, it was necessary to provide that there should be no abuse in the administration of any plan that might be decided upon. Basic principles were laid down and submitted to the Governor in Council, who after careful consideration approved them. It was recognized that it is the constitutional obligation of the municipalities throughout Canada to care for their indigent and needy citizens, but if any municipality was unable to carry out its obligations in this respect, because of the unusual conditions, then, as the municipality was created by the province, the Provincial Government should be appealed to for aid. Never has it been considered that the Federal Government are constitutionally obligated to participate in unemployment relief, although they did so participate after the war, in the winter of 1920-21, and the practice was continued, to a lesser extent, so long as the necessity seemed to continue, by the Government that came into power at the end of 1921. But in 1930 the unemployment situation was acute, not only in Canada but in many other countries. It must be apparent to anyone who has considered the question that a serious unemployment situation existed in countries that had a high tariff as well as in those whose duties were low.

Certain regulations for the relief of the situation in Canada having been approved by the Governor in Council, the Government of every province was immediately invited to send representatives to Ottawa for the negotiation of an agreement for the purpose of co-operating in the carrying out of the plan that was decided upon, the principle being that the Federal Government should assist the provinces and municipalities, but in no way supersede them in their respective jurisdictions and obligations.

Between the 1st and the 22nd of October last agreements were negotiated with all the provincial governments, and signed. In principle they were the same throughout, though some contained very minor alterations to meet local necessities, because, as you know, conditions vary somewhat in different parts of Canada, and it was the intention that the regulations and agreements should be elastic enough to permit common sense to prevail in every community rather than that iron clad rules should govern.

It was provided that certain sums of money, out of the $20,000,000 voted by Parliament, should be equitably distributed, as far

as possible. It was deemed important to make provision so that where work was not available people should be fed and kept warm. Therefore $4,000,000 of the $20,000,000 was set aside for that specific purpose, on the understanding that the provinces and municipalities concerned would do their bit on an equal basis. So it was provided in every provincial agreement, as well as in the Federal Government's regulations, that wherever people were found to be in need of municipal assistance in order to secure food and to keep warm, the municipality should have full jurisdiction to render aid, and that upon the presentation to the Provincial Government of proof of the expenditure made, that Government and the Federal Government should each bear one-third of the cost.

The remainder of the $20,000,000 was allocated for the purpose of creating employment opportunities. It is not my intention to-day to go into the details of all that was done, because another time, perhaps, will be more opportune for the discussion of such details. In order that honourable members may have an idea of the intent and the motives behind the plans laid down, however, I shall deal with them briefly. An agreement was reached with the provincial governments as to the amount of money to be applied to each province. We quickly found that while many municipalities were very eager to carry on public works to relieve their unemployed, they were not so ready to pay any large proportion of the cost. So it became necessary to lay down some basic principle which should govern. I remember that the Premier of the first province to come in under the plan said that there were municipalities in his province that could not pay a cent for such purposes. I said to him: "I am sorry, Mr. Premier, but the Federal Government cannot agree to relieve any municipality entirely of its constitutional obligations; therefore some portion of the cost of carrying on works to relieve unemployment must be borne by the municipality in every instance, and the principle of the responsibility of the municipalities towards their own citizens must be recognized and maintained." So, generally speaking, all the provinces signed agreements to that effect, and the municipalities were required to pay one-half of the cost of important municipal works within their own boundaries, such as sewers, sidewalks, or water supply, and to carry on such work this winter to give employment to those who otherwise would have to be helped directly, work being universally recognized as preferable to direct relief. We said: "You pay half the cost, and the Province and the Dominion pledge themselves each to pay twenty-five per cent."

More than 1,600 tripartite agreements between municipalities and provincial governments and the Federal Government have been entered into since October last, and in consequence about $69,000,000 worth of employment opportunities have been placed within the reach of the people of Canada who were out of work and in need.

In addition, the two great railway companies were approached and consulted as to whether or not they could assist in creating employment opportunities that would be helpful at this time. After a few days' discussion, first with the Minister of Railways, and then with myself, the railway companies took the suggestions into consideration. Shortly afterwards they came back and said: "Here is a programme of work which it was intended to commence within the next one, two or three years, but we are prepared to proceed now if the Federal Government will compensate us to the extent of paying the interest cost on the capital investment necessary. Proposals were carefully discussed and considered, and it was found that much work could be done. It did not seem feasible to attempt to build too much new line. Although hundreds of miles of lines had been authorized, it seemed advisable rather to distribute the work as widely as possible, among as many industries as possible. It was found that the purchase of a couple of hundred miles of new heavy steel rails would furnish work for the coal miners and for the men in the steel mills, and would extend employment opportunities to a considerable number of men who otherwise might not have been reached. So in the aggregate a very substantial quantity of work was outlined and is now under way.

Another useful work that was considered in order to provide employment was the elimination of grade crossings, which comes under the jurisdiction of the Board of Railway Commissioners. It was thought that that work might be undertaken, with good results, for two purposes—to reduce the hazards of the travelling public, and to provide employment; and the substantial sum of $500,000 was transferred to the Board of Railway Commissioners, through whose instrumentality the work was to be carried on.

This is a brief outline of the plan that has been pursued in co-operation with the provincial and municipal authorities throughout Canada since October last. Early next week there will be laid upon the tables of both Houses a report giving by provinces a

rather concise account of the matters that I have outlined, and a great deal of detailed information with which I will not now take up the time of the House. When honourable members receive that information they will be in possession of all the details of the plan and will see how it has worked out.

I want to say in passing that, as the Minister in charge of the administration of the Unemployment Relief Act, I am trying to work it out on a basis that will be absolutely equitable to all the people in all parts of Canada, and I am gratified at the very hearty and friendly co-operation that has been shown by the provincial and municipal authorities in this matter. Every government, municipal, provincial and federal, regardless of its political complexion, has manfully endeavoured to do the job, and, regardless of whether it met with the approval of everybody or not, has tried its best to relieve distress through the medium of co-operation.

Another condition that existed shortly after the new Government took office, and that I think might properly be referred to at this time, was this. It was obvious that there were far more people in Canada than could be usefully and gainfully employed, and that the numbers of unemployed were rapidly increasing; therefore, if a cure for unemployment was to be found, it was necessary that the cause of it, or one of the causes, should be adjusted. It is patent now to everybody who reads, that during the eighteen months prior to the last general election, approximately 160,000 people came to Canada's shores from other lands. At the same time, the exodus of our own people, which had been going on for a number of years—and to that I am taking no exception, because it is a man's inalienable right to go to the place where employment opportunities and prosperity seem greatest—that outflow of population, principally to the republic to the south of us, slowed up and finally ceased because of the growth of unemployment in that country. For many months after most of the emigration from Canada had ceased, the tide of immigration continued, and even grew; consequently Canada found herself in the position of having to curtail the inflow of new population until such time as our own native sons and the people who had come here in good faith from other lands to establish themselves in this new country should become self-supporting. So, on the 12th of August, as I recall it, within about a week of the time when the Government took office, steps were taken, of which some people did not approve—especially those who wanted to get into Canada—to curtail immigration into this country, and the figures now show the results. That curtailment did much to retard the growth of unemployment.

Other features also enter into the picture, one of them being the fact that about one million Canadians who had gone to the United States during the previous decade, finding themselves out of employment because of the natural desire of the American employer to give the preference to American nationals, began drifting home. When Parliament last September voted $20,000,000 to create employment opportunities in Canada, many Canadians outside the boundaries of this country felt that their opportunities of getting something to do, in order to provide for their dependents, were better in Canada than elsewhere; consequently a substantial number returned. This aggravated the Government's difficulty in coping with the unemployment situation.

Conditions have gradually improved. The improvement, it is true, has been slow; but, notwithstanding statements that have been made on political platforms, and elsewhere, I do not think it was to be expected that unemployment would be abolished within a certain number of days or weeks. The substantial improvement in the situation is due not only to the opportunities created by the co-operative action of governments, federal, provincial and municipal, but also to the tariff adjustments made during the special session last fall, which will be fully discussed during the present session and need not be dilated upon now.

There is in times of business depression, or business stagnation, a tendency for the public mind to become uneasy, then distressed, and perhaps even openly rebellious. That has occurred before. I am thoroughly convinced that had Parliament not met last September and taken the steps it did to enable the Government to aid the provinces and municipalities in relieving distress, there would have arisen in Canada ere this a situation that would have been very difficult to control. Unemployment is probably the darkest shadow that hangs over the head of the wage earner in any country, and the fear of unemployment is probably the greatest cause of gray hair, in the heads of women particularly. So it would appear to me highly desirable that all governments should give more attention to trying to find a permanent solution of the problem than has been given to it by governments in years gone by.

Many economists, many great teachers and preachers, many labour leaders are in these days turning their minds to this problem;

and the Government already has done a little, it hopes, to help in reaching a solution of the difficulties in the days that lie ahead. It is not easy to devise a policy for the relief of unemployment, or to create an unemployment insurance scheme or anything of that sort as a panacea or cure, because Parliament, or the Government, like the physician, must ascertain the primary causes before it can intelligently apply a remedy. The Government has acted upon the suggestion made last summer, that, inasmuch as 1931 is the decennial census year, provision ought to be made for taking a census of all the unemployed in Canada and ascertaining their former employment, their sex, their age, the length of time they have been out of work, and a number of other relevant facts, so that when the census is completed there will be concrete and reliable information to assist the Government authorities, and the economists who are doing research work, to form accurate conclusions as to what can be done towards discovering something to effect a permanent cure.

Within the borders of our own country, as well as in many other countries, I presume, there are many citizens who feel that the passing of a Bill will entirely remedy a grievance. In many countries that sort of experiment has been proved by experience to be a serious hindrance rather than a help to national welfare. One need only instance the unemployment insurance legislation passed in the Motherland. I was one of those who were greatly pleased with that scheme, as I believed it would operate successfully. For a time it undoubtedly was a splendid thing, but as the years went on and unemployment increased the plan was found to be entirely inadequate; and, as all honourable members know, the resulting burden upon the British Government and people has become a matter of grave national concern. I think Canada should endeavour to profit by the experiments of other countries, and thereby avoid schemes that experience has shown to be inadvisable.

The Right Honourable the Prime Minister has announced the Government's intention to put through a technical education Bill along the lines of the legislation that was abandoned in 1929. I was pleased, and indeed a little surprised, to find that in 1927 the Government of every province in Canada went on record—as is disclosed in the files of the Department of Labour—urging the continuance of that legislation. The present Administration are satisfied that the results achieved in the ten years that the Act was in force justify the passage of another such measure for the promotion of technical education and vocational training for the rising generation throughout this Dominion.

The old age pension legislation is a more difficult matter. The Prime Minister has indicated the intention to deal with it, but no decision has yet been made as to how far the measure will be carried this session. The question of jurisdiction between the provinces and the Dominion will have to be carefully considered before final action is taken.

The Speech from the Throne dealt with other matters, which I shall not attempt to discuss in detail at this time. Extended reference has been made to them in another place, and I commend to every honourable member of this Chamber a careful perusal of the statements made by the Right Honourable the Prime Minister yesterday. Dealing with criticisms of some of his actions and utterances at the Imperial Conference, he declared that these were exactly in keeping with the principles laid down, in discussions with the British Government, by one of Canada's great statesmen of former days, the Right Hon. Sir Wilfrid Laurier.

I submit, honourable senators, that my honourable friend the leader on the other side of this House (Hon. Mr. Dandurand) in his speech last night said very little that demands a reply. He condemned only the Government's tariff policy, which he considered to be an erroneous one. He quite frankly and properly expressed his views on that subject, but I do not intend to enter into a tariff debate at this time. I should like to congratulate my honourable friend upon the manner in which he addressed the House. I consider the theme of his speech was a model of the way in which subjects should be dealt with by honourable members of this Chamber at all times, inasmuch as the underlying motive was the welfare of Canada rather than political considerations.

In passing, may I remark that although I do not profess to be a patriarch in this Chamber, I have had the pleasure of sitting here for some years, and I believe that some honourable members of the House have had such a wide experience in and are so well informed about public affairs and business and professional matters, that if they would take a more active part in our discussions the Senate would become even more useful than it now is. There are numerous questions of public interest to which some honourable members, from whom we hear all too infrequently, might address themselves either in the House or in committees, and I am sure that if they did so good results would be felt throughout the Dominion. Nothing is farther from my mind than the criticism of any honourable member,

and I know it will be understood that I am speaking solely with the best interests of our country at heart when I suggest that much valuable service could be rendered to Canada if there were as keen interest in work of the kind that I have indicated as perhaps there sometimes is in the date of adjournment. I believe that the people would greatly appreciate a little wider activity by honourable members of this House.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. ROBERTSON: I shall not impose further upon the time of honourable members. As I said at the outset, I had not prepared a speech and I have not a note before me. I sincerely trust that the debate will be continued by a number of honourable senators, for I had no thought whatever of closing it.

Hon. R. FORKE: Honourable members, I was not sure that I ought to address the Senate at this time, although I had prepared a few notes, but after the remarks of the honourable gentleman from Welland (Hon. Mr. Robertson) I am encouraged to take part in the debate. I trust you will bear with me patiently while I discuss a few matters that I think are of importance at the present time.

May I, first, compliment the mover and the seconder of the Address on the able manner in which they expressed themselves. The honourable member from Boissevain (Hon. Mr. Schaffner) spoke in an optimistic vein, and in that respect I think that all honourable members will agree with him. Notwithstanding the existing unemployment and other problems that confront us, I feel, as does every Canadian who believes in the future of his country, that these will be solved in the process of time.

Right Hon. SIR GEORGE E. FOSTER: Will my honourable friend turn on a little more power?

Hon. Mr. FORKE: I will try to do so. I listened with pleasure to the speech of the seconder of the motion for the address (Hon. Mr. Bourque), who spoke in two languages. I was reminded, as I am every day that I take part in parliamentary affairs—and, indeed, every day that I spend in the city of Ottawa—of the disadvantage to those of us who live in the West in not finding it convenient to acquire familiarity with the French tongue. Perhaps some people will consider this to be the voice of one crying in the wilderness, but I believe that every child in Canada should have an opportunity of learning to speak French as well as English.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. FORKE: I desire to compliment the honourable senator from Welland (Hon. Mr. Robertson) upon his interesting address. But if he is surprised at criticisms of the Government for their failure to carry out certain promises made during the election campaign, may I remind him that many people did not know that some of the promises were not to be taken seriously. Of course, some of us who had knowledge of the true state of affairs realized that a number of the pledges were impossible of fulfilment, and consequently we are not now as disappointed as we otherwise might have been.

Since we have been going through this economic depression, the opinion has often been expressed that a period of prosperity always has been and always will be followed by one of depression. So-called experts have undertaken to tell us why we cannot always be prosperous. It has been contended by some that the gold standard is wrong and has had much to do with the bringing about of present conditions; on the other hand, we are told that our problems are largely psychological, and if we practised more Coué ism we should soon convince ourselves that everything was all right. I shall make no attempt to analyse the cause of depressions, but I want to express disagreement with the theory that prosperity must inevitably be followed, sooner or later, by depression.

Another school of thought holds that the present state of affairs, economical and other, is as perfect as it can be; that this is the best of all possible worlds. I do not think that people who disagree with that notion should be classed as Reds or Socialists. Methods of production have been developed to a high state of perfection, so much so that there are said to be too much food, too much clothing, and more manufactured articles of every description than can be efficiently distributed. Yet there is world-wide distress, and in every country many people are being inadequately fed and clothed. Surely, honourable senators, there ought to be some way of overcoming a situation of this kind. Unemployment is a serious matter not only for the individual but for the country at large. When a man has a job and is able to provide a home and reasonable comforts for himself and his family, the spirit of revolution has little chance of breeding in him. Contented citizens are in no danger of being wrought upon by Communists or so-called Reds.

I am convinced that such conditions as we are now experiencing will in time be per-

manently done away with. I am sure that there will come a time when no longer millions of men who are anxious to obtain work will be unable to find it; and this is an end towards which, I submit, the Government not only of Canada but of every civilized country should strive.

With the permission of the House I should like to read a short extract from a speech made by Governor La Follette, of Wisconsin. In his inaugural address he said:

> As a state and nation we have astonished the world—how to produce the necessities and luxuries of life in sufficient quantities to supply the needs of all our people—but in the midst of abundance we have want and suffering. Unless we can solve this problem of the distribution of abundance, unless we can stop hunger and hardship in all of this plenty, we shall be actors in the greatest tragedy of history.

I should like to read also a statement that was made by the Right Hon. Arthur Meighen in the course of an address at Washington:

> The world is not well organized for the purpose of distributing amongst the population the fruits of their toil by brain and hand, in accordance with the contribution of each.

I think the Right Hon. Arthur Meighen struck the nail squarely on the head when he said that the present economic system falls short in distributing the world's wealth to those who earn it. I have great admiration for Mr. Meighen's ability and I wish that it could be put at the service of the country just now. Mr. Henry Wise Wood, of Alberta, in a speech at the convention of the United Farmers of Alberta, at Calgary, made a statement similar to that of Mr. Meighen. There is a great difference between Washington and Calgary and between Hon. Mr. Meighen and Mr. Wood; but they are both men of great ability, and because of the thought that they have given to public affairs their opinions carry weight all over this country.

We often hear it said that all the people of the world are neighbours, and that the means of communication have been improved to such an extent that distance has almost been eliminated; that we in Canada to-day are as close to Great Britain as the people of one village in England were to those of another perhaps one hundred years ago. But do people really believe that? Do the actions of governments indicate a belief in that? On the contrary, is not every nation striving to erect higher tariff barriers all the time and to make more difficult the means of communication with other nations? Trade commissioners are sent all over the world for the purpose of increasing international commerce, while the governments in the various countries are all

the time making the trade barriers more difficult to overcome. Perhaps I shall not live to see it, but the day will surely come when the interchange of commodities between nations will be free and unrestricted. When that time does come the nations will be blessed. I know that this is not practical politics at present, but in the meantime we must realize that we cannot achieve true prosperity by building trade barriers higher and higher.

However, I rose to speak not so much along these lines as in regard to Western conditions, about which I am perhaps as well informed as any other honourable member in this House. I happened to meet a gentleman who is prominently known in Canada, but is not a member of Parliament, and he asked me: "Who is right, the farmer, or Mr. Beatty, or Mr. Black of the milling interests, as to conditions in the West?" Who is right? Well, if you ask the farmers they tell you one story, and if you ask Mr. Beatty you get another. I have a great admiration for Mr. Beatty, both as a private gentleman and as president of a great railway, and I have no doubt that he believes in the psychological effect of telling the people that they are not so badly off as they think they are. However, that is not a great deal of encouragement to the person who is struggling under difficult conditions. I want to state in plain English that the farmers in Western Canada to-day are in financial difficulties, and I do not see why the fact should be disputed, or why it should not be brought out. The conditions existing in the West are the worst that I have seen in my forty-nine years of experience in that country. We have had difficult times; we have had crop failures; personally I have had disappointments of all sorts that come to people engaged in agriculture; but there is something in the present condition that has never existed before, and that is a want of confidence in the future.

The average price of wheat in 1930 was 92 cents per bushel. What will the average price be for 1931? Is anyone bold enough to say that it will be over 60 cents a bushel? In just what respect is the situation of the farmer going to improve within the next twelve months? I do not believe that any improvement in agricultural conditions in Western Canada is possible in less than one or two years, or perhaps a longer period.

Just to make this point clear, I might mention a few figures. In 1927-28 1,000 bushels of wheat would liquidate a farmer's liability to the extent of $1,200; to-day it takes 3,000 bushels of wheat to do exactly the same thing. The prices of farm products have

dropped out of all relation to the prices of the commodities which the farmer requires to carry on business. Eighteen months ago wheat was worth $1.40 at Fort William; to-day it is worth 60 cents. Barley was worth about 50 cents eighteen months ago; to-day it is worth scarcely anything. It may not be out of place to mention my own experience. Last year I had a splendid crop of barley, grading 3 C.W., which is about the best that we grow in Western Canada. I shipped 2,000 bushels of that barley and received 14 cents a bushel for it. That was supposed to be the top price paid for barley in Western Canada last fall. I am happy to say that I have still over 2,000 bushels in the granaries—and it will not be sold for 14 cents, for I will feed it to stock, if possible.

Nobody told the farmers in 1927-28 what was going to happen. Who could have foretold two years ago that wheat would drop from $1.40 to 60 cents a bushel? I do not think that anything that has occurred in any other business in the Dominion of Canada will compare with the slump in wheat. We know that in depressions agriculture receives the first shock. But this is more than a shock—it is a catastrophe, and the facts must be stated. There will be casualties in Western Canada. I do not see how they can be avoided.

I have not lost faith in the West, for I know too much about its capabilities, and what it has done in the past, and will do in the future; but the people ought to be told and ought to understand the situation that faces us. Banks, mortgage companies, and other creditors of the farmers can do much to help the situation at the present time. I am not one of those who take a particular pleasure in dwelling upon the iniquities of the banks and mortgage companies. I am not one of those who have complained that the banks were too slow in lending money to the farmers. My experience is that they were too quick; I think they have lent money too freely, but charged too high a rate of interest. If they had acted a little more slowly, probably they could have conducted their business more safely and at a profit. Mortgage companies have advanced too much money, and have not a sufficient equity in the land to protect their mortgages; so they, as well as the farmer himself, are in a difficult position. But what I want to point out is that they can help at the present time. If there is any attempt made by creditors to secure their pound of flesh at the present time there is going to be a catastrophe; a great many farmers will fail, and go out of business altogether; and what will happen then I do not know.

Some system of amortization of debts might help. We have a Debt Adjustment Bureau in Manitoba, but I have not heard that it is doing anything at the present time. If something could be done to amortize the debts of the farmers, spreading them over a period of ten years at a low rate of interest, I think many farmers would be set on their feet and started off in business again with new courage. Perhaps that plan is not practicable, but it does seem to me that it would do something to help in the present situation.

The farmer as a rule gets a great deal of advice, and in these days of distress he is getting more than usual. I think most of that advice is well meant. Most of the people who want to tell the farmer how to run his business mean well, and think they are helping in giving him the advice. A great deal of criticism has been levelled at the farmers of the West for growing wheat. "Wheat miners" they have been called in another place. Most of the farmers who went into Western Canada had not much capital, and as wheat was a one-year crop, which yielded quicker and easier returns than any other farm product, naturally they went into wheat growing almost exclusively. The growing of wheat is what has built up the West to a very great extent and has made possible the physical development of that great inland continent of the three Prairie Provinces. The growing of wheat has produced a golden stream that has flowed into the treasury of the Dominion of Canada and helped to stimulate business of all kinds. A great deal that has been done during the past three years would have been impossible had it not been for this tremendous quantity of wheat moving from Western Canada to the continent of Europe, and yielding enormous returns for use in the development of the Dominion.

I left Brandon in the month of August two years ago and travelled west right through to the Peace River district. Honourable members of the Senate, I shall never forget the sensations I experienced on that journey. After travelling past millions of acres of waving grain, and seeing the countless homesteads, and passing through the great cities of Regina, Saskatoon and Edmonton, I could not but realize how much has been made possible just because Western Canada had been a favourable place to grow wheat. So I think we should be careful when we criticize the growing of wheat in that country. Wheat has played a great part in the building up of the West, and has been of great benefit to the great centres of population not only in the West but also in the East. Perhaps new conditions have arisen—and new conditions

require changed methods of procedure; nevertheless, wheat growing will continue for many years to come, and wheat will be one of the major crops in Western Canada; and it would be a tragedy should anything happen to prevent people from growing wheat in that country.

The men and women of Western Canada to-day are anxiously asking: "What of the future?" We hear a great deal about diversified farming. Last session I expressed my views with regard to the future of Western Canada and the system of farming that would be found most profitable and most enduring. I have not changed my ideas since then. I still believe in the smaller unit; I still believe in mixed farming where it is possible. I would point out, however, that large sections of Western Canada are not at all suitable for mixed farming. There are large districts in Manitoba and in the Province of Saskatchewan—I am not so well acquainted with Alberta—where it is impossible to find a water supply, without which it would not be profitable to attempt to keep stock. I believe that in the well watered sections mixed farming will solve our problems; but unfortunately such a solution cannot become effective before a few years, because one cannot get into the business of raising live stock all at once.

A scheme to help the farmers of the West has been inaugurated, and the credit for bringing it to the attention of the public may be given, perhaps, to Mr. Beatty, of the Canadian Pacific Railway. No doubt most of you have heard something about that scheme. A corporation is to be formed with a capital of $5,000,000. This money is to be lent to the farmers for the purpose of enabling them to go into live stock raising as a basis for their mixed farming. I am not very sure just how much is to be advanced to each farmer, but I think that probably the average will be about $200. This scheme is based on what is known as the Minnesota plan. I have the plan here. Some of you may have received this pamphlet. A scheme of the same kind has been in effect in Minnesota, Montana, and the two Dakotas, and has worked a revolution in those states. Where previously there was scarcity or want of prosperity, the farmers have entirely changed their condition and are now doing well under a system of mixed farming.

I have noted carefully, in reading this pamphlet, that in the loaning of money great precautions are taken to see that it is properly spent, and that stock will be given only to people who are in a position to care for it and who understand something about it. I have no hesitation in saying that unless the whole scheme is carried through as a business institution and in accordance with business principles, it will surely fail. In Manitoba we have had some experience in lending money to farmers to purchase stock and implements, improve their farms, and so on. The Manitoba senators who are present will know what I am speaking about. We had what was known as the Cow Scheme, whereby the Provincial Government lent money to the farmers to enable them to purchase cows, and to assist them to go into mixed farming, if you please. That scheme was tried. I do not know whether the farmers benefited much by the cows or not, but I do know that the Government lost nearly all the money loaned to buy the cows. We have had also a system of rural credits which, on the face of it, seemed to be a good scheme and one that ought to work well. The Provincial Government furnished money, to be loaned by a local board on which the Government had a representative. No amount of money was to be loaned unless the assets of the farmer in excess of his liabilities were sufficient to cover the amount of the loan. Apparently the matter was gone into very carefully, and the Provincial Government furnished a very large sum of money; but, honourable members, in that also they lost a very large amount that they will never regain. Then we had the Farm Loan Association, whereby the local Government was lending money to farmers on mortgages on their farms. I cannot tell you what acreage the Provincial Government of Manitoba has to-day—I know that it is very large—that came into their possession under foreclosed mortgages.

That is the history of three schemes to improve conditions. I do not think the failure was due so much to the schemes as to the fact that proper care was not taken to see that the money was loaned to the right kind of people. I think it is perfectly obvious to those who are acquainted with public affairs that when a government lends money it is more difficult for it to get it back than it would be for anybody else to do so. The hope of this scheme, and its success, are dependent on whether business principles are observed, and upon seeing to it, before the money is loaned, that the stock and the men are of the right kind to make a success of mixed farming. People who advocate mixed farming, more especially city people—and I say this in all kindness—do not understand, perhaps, that it is much easier to grow wheat than it is to raise stock. I know that the immigration pamphlets that I used to send out when I was Minister of Immigration told

how some man coming from England, with no experience at all, raised a splendid crop of wheat. That is quite possible; but it is more difficult to be a successful breeder of live stock. If you have the soil and the climate, and good seed properly sown, you can leave the crop to the rain and the sun and the gentle breezes of summer, and it will come to fruition without any care on your part; but live stock needs continual attention from the day of its birth until it is sold for a profit. Consequently you have to be more careful in mixed farming than in the raising of grain.

Hon. Mr. DANDURAND: And you have to do more work.

Hon. Mr. FORKE: More work. Why do farmers not like dairying? I do not know anyone who is in the business because he likes it. A dairy farmer has to attend to his cows fourteen times a week, regularly; there is a tremendous amount of work involved in seeing that the cattle are properly fed and cared for, and in the general running of the industry. But, I am glad to say, you will find milk cans at the railway stations all over Manitoba to-day. In other parts of the country many people do not seem to be aware of the great amount of mixed farming that is being carried on in that province, and of the revenue derived there from other farm products, which is equal to that from grain. In this respect Manitoba is in a better position than the other two prairie provinces. But the great problem at the present time is where to find markets. It may be possible to raise better live stock, but what can be done with it?

The present Government came into power after promising to provide markets for farmers in the West. I know that that promise was made in the course of speeches in Western Canada, but the Hon. the Minister of Labour (Hon. Mr. Robertson) has told us that the Government have not had time to do all they said they would. I am not speaking in any spirit of bitterness, but I want to say firmly that the Government have not done any single thing that will in any way help the farmers of the West. On the contrary, I can assure honourable senators that a great many farmers look upon some of the things that have been done as nothing more nor less than a slap in the face. In making such a statement I am not trying to play politics, but I am thinking solely of the welfare of the Western farmers.

Hon. Mr. LAIRD: Did the Government not denounce the Australian and New Zealand treaties and try to curtail the importation of butter?

Hon. Mr. FORKE: Butter is selling at 19 cents a pound in Winnipeg.

Hon. Mr. LAIRD: The honourable gentleman says he does not know of a single thing that the Government have done that has helped the farmers of the West. I am reminding him of what was done about Australian and New Zealand butter.

Hon. Mr. FORKE: But butter is selling at 19 cents a pound in Winnipeg now.

Hon. Mr. LAIRD: And the honourable gentleman knows that there are millions of pounds of Australian and New Zealand butter in storage in Canada to-day.

Hon. Mr. FORKE: I do not think there are.

Hon. Mr. LAIRD: The figures show that there are about 30 million pounds of Australian and New Zealand butter in Canada to-day.

Hon. Mr. FORKE: I do not think the farmers are worrying much about the competition of Australian butter at the present time.

Hon. Mr. SCHAFFNER: May I ask the honourable gentleman a question?

Hon. Mr. FORKE: Certainly.

Hon. Mr. SCHAFFNER: Is the honourable gentleman aware that since this Government put a duty of 8 cents a pound on New Zealand butter, the dairy industry in Alberta has increased 60 per cent?

Hon. Mr. TANNER: He never heard about that.

Hon. Mr. SCHAFFNER: No, he never heard about that, but it is a fact. Were the Government not doing something for Western Canada when they helped to increase the dairy products of Alberta by 60 per cent?

Right Hon. Mr. GRAHAM: But the price has not increased, and it is the price that counts.

Hon. Mr. FORKE: When wheat is selling at 60 cents a bushel and it is impossible to get anything at all for barley, any farmer who has a few cows will try to produce butter if he can. Every time that the price for wheat has dropped to any great extent there has been a marked increase in dairy products, and it will always be so. But I can assure the honourable senator from Boissevain (Hon. Mr. Schaffner) that farmers are going into dairying because it is the only thing that will produce them any cash just now. If it is permissible to refer to a conversation with a relative, I may say that a

few days ago, when I was home, my brother-in-law told me that he was milking twenty-five cows, and he said, "I do not know what in the world we could have done if we had not been milking cows." But honourable members are greatly mistaken if they imagine for one moment that the farmers are going to be helped by a duty on butter or on eggs.

Hon. Mr. SCHAFFNER: They have already been helped.

Hon. Mr. FORKE: I have not seen any evidence of it.

Hon. Mr. SCHAFFNER: The honourable gentleman may not have seen it, but that does not make any difference. The trouble is that he does not want to see it.

Hon. Mr. LAIRD: "None are so blind as those who will not see."

Hon. Mr. FORKE: I think I know as much about farming conditions in the West as any other honourable member.

Hon. Mr. SCHAFFNER: But no more.

Hon. Mr. FORKE: No more, but no less.

Hon. Mr. GILLIS: May I ask the honourable gentleman a question? He stated a moment or so ago that some of the things the Government have done are looked upon by the farmers as a slap in the face. Will he kindly tell us what particular actions he considers to have been a slap in the face?

Hon. Mr. FORKE: That is my opinion.

Hon. Mr. GILLIS: That is a statement. Surely the honourable gentleman will back up his statement.

Hon. Mr. FORKE: If the farmers of Western Canada think that the Government have helped them, then it will be all right for the Government; if they think otherwise, then it will not be all right. But one would find it difficult to convince a farmer in the West that his market for wheat had been improved by any action that was taken at the recent economic conference in Great Britain.

Hon. Mr. LAIRD: Certainly. No one would suggest such a thing.

Hon. Mr. FORKE: Eggs are selling at 15 cents, in the little town where I live. The merchant there says they are worth only 13 cents, but in trade he allows 15 cents for them. I wonder if that will signify anything to some honourable gentlemen opposite.

Hon. Mr. GILLIS: Are the Government responsible for the prices of grain and eggs, or anything else?

Hon. Mr. FORKE: The Government came into power on the promise that they would improve conditions.

Hon. Mr. GILLIS: They have done that, as far as possible.

Hon. Mr. FORKE: But there were definite promises that these conditions were going to be immediately remedied.

Hon. Mr. SCHAFFNER: No.

Hon. Mr. FORKE: Was the honourable gentleman present when the Winnipeg speech was delivered? I checked that speech word for word from a typed document, and I can prove that the statement was made.

Hon. Mr. COPP: Hear, hear.

Hon. Mr. LAIRD: What is the difference between a few days and a short time?

Hon. Mr. FORKE: I repeat that there has been no help to date.

Hon. Mr. GILLIS: Well, it is coming.

Hon. Mr. FORKE: I am sincere in my statements. I am anxious that the people in Western Canada shall prosper.

Hon. Mr. GILLIS: Not any more anxious than others are.

Hon. Mr. FORKE: I do not say I am more anxious, but I think honourable members will credit me with sincerity of purpose. I know families who have been in the West thirty years and who to-day are in dire distress. Does that strike a sympathetic chord in the breasts of any honourable members? I know people who cannot pay their taxes this year, and who never before were in such a condition since they have been living in Western Canada.

Hon. Mr. GILLIS: Similar conditions have been going off and on for forty years.

Hon. Mr. FORKE: I went there when there was nothing but the bare prairies.

Hon. Mr. GILLIS: I was there before my honourable friend.

Hon. Mr. FORKE: Maybe that is so, but I think the honourable gentleman has forgotten something.

Hon. Mr. GILLIS: No.

Hon. Mr. FORKE: I do not see why there should be so much heated criticism of my remarks. The only reason I can see for it is that I said the Government had not done anything to help the Western farmers.

Hon. Mr. GILLIS: The honourable gentleman went further than that. He said that some of the actions of the Government were

a slap in the face to the farmers, and he has not explained what he meant.

Hon. Mr. FORKE: I say that the Government have not helped the farmers in Western Canada to date; and that statement stands. The people cannot be deluded very long by promises that it is impossible to fulfil, because there must come a day of reckoning. There is an emergent situation in Western Canada, but after the Prime Minister had gone through that part of the country he stated at Regina that everything was all right in the West; that there was no hardship.

Hon. Mr. GILLIS: He did not say that.

Hon. Mr. FORKE: Well, he did not find any cause for alarm.

Hon. Mr. LAIRD: I should like the honourable gentleman to produce the remarks that he alleges were made by the Prime Minister at Regina, to the effect that there was no hardship in the West. That is a statement that is unlikely, on the face of it.

Hon. Mr. FORKE: Well, there does not seem to be any use in continuing any further in this way. I am surprised at the attitude of honourable members from the West.

Hon. Mr. SHARPE: The honourable gentleman should say "some of the honourable members from the West." He should not include us all. I have not said anything.

Hon. Mr. FORKE: I have no fear for the future of Western Canada, but I am alarmed over the future of some of the individuals who are living there at the present time. There is no doubt that prosperity will again smile over Canada and the Empire. Nothing can permanently retard the progress of the West, but the people are suffering there right now, and they will continue to suffer unless economic conditions can be improved. I recognize the difficulties that confront the Government, but if candidates for office were a little more modest in their promises during the election campaign there would not be the same resentment when promises are not fulfilled. Of course, as I have already said, those who knew the true circumstances were aware that it was absolutely impossible to bring about any great improvement in conditions in Western Canada in one year or in two years.

Hon. Mr. WILLOUGHBY: Well, they were not misled.

Hon. Mr. DANDURAND: But some were.

Hon. Mr. FORKE: Some simple people were.

Hon. Mr. LAIRD: But the honourable gentleman cannot claim refuge under that statement.

Hon. Mr. FORKE: No, I do not. But I certainly say that men who are experienced in affairs of government should not stand on a public platform and make promises that they know cannot be carried out. Some people who did not know any better thought that a change of government would bring about a general change for the better. I do not want to discuss politics, for I am concerned only about conditions in the West.

Hon. G. V. WHITE: But the honourable gentleman stepped right out.

Hon. Mr. SHARPE: The honourable gentleman must admit that the Bennett Government have tried to do something for the West, whereas the former Government made no such attempt.

Hon. Mr. FORKE: I do not want to discuss politics, but I can tell the honourable gentleman that during the last election campaign I did not hear anything said against the King Government.

Hon. Mr. SHARPE: It was not necessary to say anything. People knew all about it.

Hon. Mr. FORKE: The fact is that there were hard times, and people in the West got the idea that a change of government would result in a change in economic conditions.

I should like to say a few words about the mutterings that have come out of the West in regard to secession. Some people seem to think that Western farmers are a difficult lot, but it seems to me that the truth is simply that they are always alive and on the job, and the rest of the country will hear from them if they are not satisfied. I do not pay any serious attention to talk about secession. It is a symptom of discontent and hard times, a sign that everything is not well, and I do not think the Government and the people would be justified in ignoring that kind of symptom. But I am as sure as I am that I am standing here that there will never be secession on the part of the West; and we shall hear no more talk about it when conditions have improved.

The farmers in this country and all over the world are going to have a hard time for the next three or four years. Since the recent slump began, agriculture has suffered a depression to the exent of 60 or 70 per cent., while there has been a falling off in the textile business of only 13 per cent. I want to tell honourable members opposite that since last September textiles have even held their own.

I hope there will never be any division between the East and the West, for I agree with the honourable senator from Boissevain (Hon. Mr. Schaffner) that each part of the country needs the other. Up to the time that I came to Parliament, ten years ago, I had spent thirty years in the West, and my mind was filled principally with Western ideas. But no one can remain for long a member of Parliament without having his thoughts and sympathies broadened, and one soon finds that it is necessary to give and take. In each successive Parliament Western members learn that they cannot expect to have everything their own way, and that the East, as well as the West, has its special problems.

I heartily desire that Canada shall always remain one big united Dominion. I believe that there is a great future for this country among the nations of the earth, not only in a material sense, but because of the influence that we as a people may exert towards the betterment of the lot of humanity as a whole. It is my hope and prayer that nothing may interfere with the union of this great country, from East to West, for all time.

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

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

THE SENATE

Thursday, March 19, 1931.

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

Prayers and routine proceedings.

THE PRINCESS ROYAL

RESOLUTION OF REGRET AND CONDOLENCE

Hon. W. B. WILLOUGHBY moved:

That a humble Address be presented to His Majesty to express the deep concern of this House at the loss which His Majesty has sustained by the death of Her Royal Highness, the Princess Royal; and to condole with His Majesty and to assure His Majesty that this House participates with the most affectionate and dutiful attachment in whatever concerns the feelings and interests of His Majesty.

He said: My motion is that we concur in this address, which is a joint address with the one already passed in another place. It expresses my views and does not require any amplification on my part.

Hon. RAOUL DANDURAND: Honourable members, I need not add that the honourable the leader of the Government in this Chamber was expressing the sentiment of every member of the Senate in proposing the resolution, in which we heartily concur.

The motion was agreed to.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate resumed from yesterday consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Hon. Mr. Schaffner for an Address in reply thereto.

Right Hon. Sir GEORGE E. FOSTER: Honourable members of the Senate, I would not if I could, and I could not if I would, violate or evade the long established traditional practice, never honoured in the breach, but always in the observance, of extending felicitations to the mover and the seconder of the Address in reply to the Speech from the Throne.

My mind goes back in somewhat reminiscent mood in the present instance, and I almost arrogate to myself the position of a well experienced judge as to the quality and force of these addresses. On my entry into Parliament, in 1883, I heard for the first time the proposal and the seconding of the Address in reply to the Speech from the Throne. I was a new member then, full of ideals—and maybe full of illusions—and I remember quite well the interest with which the speeches at that time were heard. Young Tupper, as he was called—afterwards Sir Charles Hibbert Tupper—and Josiah Wood, of New Brunswick, were respectively the proposer and the seconder of that Address, and both of those gentlemen lived to bear out in their subsequent distinguished careers the promise that was shown at that time.

Since then I have attended forty-six openings of Parliament, and have listened, consequently, to twice that number of speeches delivered by respective movers and seconders, and I can confidently say that my two colleagues stand excellently well in the long historic procession. I have, moreover, been struck with one peculiarity. In the first addresses to which I listened, as in the latest which I have heard in this House, I have never heard an expression of criticism of either the personnel or the policy of the party in power.

Hon. Mr. DANDURAND: Hear, hear.

Right Hon. Sir GEORGE E. FOSTER: That is a well established custom, the very letter as well as the spirit of which has been faithfully adhered to. Sometimes I wonder what would happen if, in the jerky move-

ments of the present age, the mover or the seconder, or both of them, were to take it into their heads to express what sometimes, I fear, is in their hearts—their own honest opinion of the policy and the personnel. I shall not live to see that startling innovation, nor is it likely that any of us at present in this House will.

In undertaking to make a few observations about the speech in hand, I am not going to enter into details. My remarks will be general and discursive, and whether or not they will hang upon any consistent thread throughout, I cannot at the present time make a promise.

There is an atmosphere which surrounds the action of a parliamentary body at any critical stage of its history, and that atmosphere is especially pronounced as surrounding its deliberations under the conditions as they now present themselves to us. We live in a changed and changing world. If a well equipped and intelligent citizen of the world had dropped to sleep about fifty years ago, like another Rip van Winkle, and had awakened, say, yesterday afternoon, what would have been his state of mind in comparing the world of his awaking with the world as it was when he went to sleep? Imagine what would be his astonishment, and how hard it would be for him to adjust himself to the changed conditions. Through research and science, invention and mechanization, mass production and the wonderful speeding up of methods of communications and transport, the world within half the time covered by our memories has changed essentially, and this of necessity calls for changes in manners and methods of conduct; individual, social, political, and international. So it is that to-day the foundations of religious beliefs, the canons of individual conduct, the conventions which society has established for its governance are all called into question and subjected to rigorous examination. Different conditions have demanded new attitudes and methods of procedure, which inevitably and necessarily tend to fashion the development of the individual, of society and of the state.

The same is true of methods of production and distribution and commercial, banking and financial operations. In every line of enterprise and activity conditions have arisen which necessitate different methods of policy and action.

I mention this simply to show that methods and policies well adapted to deal with conditions long ago existent in matters political, national and international, call for revision in these later days of entirely different conditions, and that there is no unchangeable principle to which we must rigidly adhere. Difference of conditions requires a different attitude of approach for their solution.

My next observation relates to the pressing gravity of the present situation. I wonder if we really are sufficiently impressed with the particular difficulties that we face at the present time, and whether we really do give ourselves to the task of considering carefully the situation which has developed, and our attitude with reference thereto. I do not need to make an extended list of all that enters into the situation of to-day. In the falling off of our transport returns, in our decreasing revenues and rising expenditures, the burden of our debts, national and international, in our heavy taxation and in the drop in values of our natural products, the situation which confronts the Government and Parliament is to-day one of special menace and gravity. That, I think, we must acknowledge; and I hold that a very considerable portion of the responsibility for finding a solution rests upon both branches of the legislative body. We are too apt to throw the entire responsibility upon the Government. That, however, is neither fair nor just. In both Houses of Parliament we, as legislators, have our responsibilities. We are called together to seek a solution of the serious questions which are to-day confronting the Canadian people. I am not one who believes that the whole remedy lies by any means in legislative enactments. I hold that now largely, and more and more as the years go by, we must look elsewhere for relief. The great questions of production, of distribution, of economic and commercial exchange, will be solved less and less by legislative enactment and more and more through the expert co-operation and agency of business men and scientific advisers, who in future will play a more conspicuous part than they do now. But with reference to its own nation and matters of international concern, the legislature has duties which it must be prepared to carry out.

Let me make brief reference to the spirit in which we as members of the Senate, and our confreres in the other House, can best approach the present problems. I shall exercise my imagination for a moment or two. Suppose that we should read in the evening journals that the Prime Minister and the leaders of the Opposition have had a protracted conference to-day with reference to handling the existing situation, and that it is confidently expected that an important agreement will be announced later. What interest that would cause in the two halls of our national legislature! What a buzz would go through the clubs and business

circles in this city, and quickly traverse the whole country! And suppose further that to-morrow morning it were to be announced that these leaders had come to a decision to lay aside for the moment all their war paint, all their implements of party offence and defence, all their subtle plans for party scrimmages and campaigns, and that all the members of Parliament would be asked to meet for the next four, five, six or more weeks in committee of the whole and devote themselves to an unbiased consideration of concrete proposals designed to cope with the knotty questions with which we are faced. I imagine that such an announcement would be greeted throughout the length and breadth of this Dominion with a loud pæan of praise, an expression of national satisfaction that the solution of the present grave and menacing problems would no longer be delayed for months by parliamentary contests with respect to mere theories and to the personalities and incidents that are commonly associated with party politics. That indicates my view of the spirit which should animate Parliament when great crises arise.

I am proud to see that optimism prevails throughout the Dominion. I do not think that the spirit of Canada has been broken or nearly broken by the grave situation which has existed for some time and which seems likely to continue, to a greater or less extent, for an indefinite period. It is true that there is some pessimism in some quarters, but I think I am right in saying that on the whole a reasoned optimism is decidedly uppermost.

In order to deal effectively with these problems it seems to me that the first thing we need to do is to try to apprehend the causes for the present situation. The first duty of a doctor in attending a patient is to diagnose the case, and the subsequent success or failure of the treatment depends greatly upon whether the diagnosis is accurate or not. And in our national affairs we need to understand what has brought about the present condition, and what is responsible for the prospect of a continuation of that condition.

If we examine into these causes we find that paramount amongst them, absolutely basic, are the effects of the old methods of applying war to the settlement of international disputes. That is a fact which ought not to be ignored in the attempt to arrive at an explanation of our difficulties. We should impress upon the present and future generations the necessity of ever keeping in mind the evil effects that have flowed from the Great War, and do our utmost to make sure that the citizens of Canada in the years to come will enroll themselves in the army of active opponents to war and supporters of international peace. At the basis of the smallest individual burden as well as of the greatest of world problems will be found some after effects of the last great conflict between the nations. Let us, therefore, enroll as defenders and supporters of the great organisation which has brought about whatever co-operation, goodwill and international confidence exist at the present time. Undoubtedly it will be a long time before the ideal is attained, but step by step, march by march, year by year, over larger and larger areas of private sentiment and conviction, and of public morale and world faith, there are advancing the forces that will make war impossible in the future and will ultimately establish permanent peace among the nations.

I am not one of those, nor do I think there are within the range of my voice any of those, who feel that Canada is down and out. There is no reason why we should lose courage and initiative and hope. We who take this stand do so because of our faith in Canada and Canadian people, a faith that is based upon a knowledge of what has happened in the past, as well as some understanding of the present and the prospect for the future. In the solution of our difficulties there need be no excuse of sectional differences, for in this matter what affects one part of the country affects us all. If an eruption broke out on my arm, would I say: "Arm, heal thyself. This is something which does not concern the rest of my body"? No. Every section of my anatomy would be affected, and would suffer so long as the cure were postponed. So it is with Canada. If one section of our country is suffering more severely than others from economic ills, we are not justified in demanding that the rest should stand aside while the most seriously afflicted portion is attempting to heal itself. Canada is an entity, whole and integral. The East cannot ignore the hurt of the West, and vice versa. I am heartily in accord with the sentiment that has been expressed here in the last day or two, that we stand as a united country. He would be a daring man who would preach sectionalism in any part of Canada to-day. Experience and observation teach us that as a nation we possess great resources.

After all, there is only one of our enterprises that has really been hit hard. Perhaps depressions will come and go in the future as in the past, but I think it cannot be denied that in comparison with other countries the

Dominion of Canada is coming through her economic crises exceptionally well. Farming is the one industry which has borne the main brunt of the present distress. I listened with great care to the plain tale of my honourable friend from Brandon (Hon. Mr. Forke), and found no fault with his exposition of the farmers' point of view. But there are farmers and farmers in the West; there are farming sections and farming sections. We must not forget that all Western farmers have not found it equally difficult to carry on; some of them are abundantly able to take care of themselves, and have sufficient resources to do so even if the depression continues.

We are living under a democratic system of government, a system that I do not think will ever be superseded in any country where it has been able to obtain a secure foothold, though it may be very much improved in all countries. In the course of operations of that system the governments are often appealed to for the financial relief of citizens. Generally speaking, a government that makes loans to the members of the body politic will have to pay the losses that result, for these will not fall upon the recipients of the advances. That will come about as part of the subtle and pervasive influences of the system. But I think that some practical method should be arrived at whereby the Dominion could give financial assistance to worthy members of farming communities where the need is pressing. Of course, certain conditions would have to be fulfilled, but those are details capable of being effectively carried out. That is for the benefit of both East and West, and of every section of the country, and to that end not only the Government of the country, but also the corporations of the country, may well give their hearty and self-sacrificing support—and I am quite certain that those great corporations are keeping that in mind. Take the Canadian Pacific Railway. Is there any reason in the world why that great corporation should not be sympathetically and vitally interested in sustaining every branch of industry in the great areas of country through which its lines pass? And is it not particularly concerned that no farmer who is at present established as a present and prospective customer of that road should be allowed to go to the wall, or his industry to lapse, and the place he occupies to become a vacancy in the future? For equally good reasons we have an intelligent and sympathetic interest on the part of banks, loan companies and other great corporations, and what I have said of the railways as to interest and co-operation applies to these. Their interests are pegged down in this country to a great extent, and can be best subserved by sympathetic aid in this period of difficulty and stress, which threaten to overwhelm them. To all these sources we may look with hope and confidence for aid in the solution of the common problem. All that is needed is intelligent and efficient organization.

Our resources, happily, have been so far explored that we no longer distrust them. The period of prospective wealth in the great resources of the Dominion—imaginary wealth, it might have been called—which gave so much confidence to the Fathers of Confederation and the early legislators and business men of this country, has gone by. Experimental research and actual examination and development have resulted in placing the resources of this country in a position of undoubted strength. Those resources have not been diminished in the least by any wave of depression that has passed over the country. There they are, and there they will remain, and from trial and experience of the capacity of Canadians—intellectual, physical, and businesslike—we have gained faith in the belief that in addition to our vast wealth of resources already developed there are even greater opportunities still in prospect, and the aspect of Canada "down and out" fades from the picture and has no place in fact and very little in fancy.

It appears clear to me that, in so far as possible, we ought to postpone the discussion of theories and get down to an examination of concrete plans; and the sooner that is done the better it will be for our own reputation and for the good of the country. The present situation in Canada, which undeniably is one of depression, but which is being placed before the public in a somewhat exaggerated way, requires that a solution be quickly found and applied. Is it wise or proper for members of either House to delay the solution of our problems by interposing a period of extended discussion on theory, and on various extraneous subjects, which I will not detail? Is it not advisable, rather, and more effective, to begin immediately an examination of concrete plans and proposals? The theories on which we might spend weeks of discussion will necessarily be brought forward, to some extent, when we come to consider these concrete plans. Is it not, therefore, really the duty of the parliamentary bodies of Canada to-day—and I am not presuming to lecture or be dogmatic; this is simply my idea of the common-sense method—to get together at once on these proposals?

The Speech from the Throne has been criticized in different ways. To my mind it is fairly suggestive. It is full of the promise

of plans and proposals which the Government is eager to present to the members of Parliament in order that they may examine them, amend them, if need be, and put them into operation. Why not facilitate to the greatest degree possible the examination of the proposals as they are presented to us in concrete form? After all, what is a government? A government is a committee of the nation, elected and established according to our constitutional forms, upon which we throw the onerous duty of making a thorough examination into the conditions of the country and of coming to reasoned conclusions and submitting plans and policies to the two Houses in order to give them effect and put them into operation. Now, the Government has done that. It has told us in the Speech from the Throne that it has given special consideration to certain subjects, and that it has evolved certain concrete proposals and plans which it is anxious to put before Parliament for examination, amendment, if necessary, and approval, so that ultimately they may become effective. Let us, then, get to those proposals as quickly as possible. That, I think, would relieve us very largely of our responsibility to the people, who look to us as their representatives for a speedy and effective solution of the difficulties that present themselves. What are these measures? They are measures to ameliorate present pressing conditions; they are measures to facilitate and further the future development of Canada, and to safeguard the country, as far as possible, against recurring periods of depression. There is a selection which may well engage the powers and the experience of this body and of the House of Commons. Unemployment relief has been undertaken, and provision made therefor. What has been done? How has it been done? What more is necessary, and, if anything, what form should it take? As to agricultural relief, what has been done and what is it proposed to do? What about production—its direction and control; and distribution—as to transport and marketing. And what, too, about wages and profits, out of which comes the much desired purchasing power?

Just upon that point let me say a word. How often do we hear the plea that wages must not be diminished, because it is the amount of wages given that provides, in the hands of those who receive the wages, the purchasing power, and that it is the wage earners of the country who, in combination with capital, make possible all the processes of production. But is there not another method by which their purchasing power can be made greater, and without increasing the cost of production? I think we have reached the point, and the world is coming to it, where we should give this matter some special consideration, and I believe that along that line there will be a great movement in the world of nations. I take an example. Not long ago there was a celebrated law suit in the United States of America. The Bethlehem Steel Company was proposing to absorb another large industry, and the directors of the two companies had come to an agreement and arranged a plan, but a minority of the shareholders took exception to the plan, and a law suit ensued. I followed the progress of that law suit carefully, and these facts came out before the judges: that the president of the Bethlehem Steel Company, in addition to the salary which was voted to him by the directors and approved by the shareholders, drew the sum of $1,262,000 as a bonus on one year's operation; and, more astounding still, four of the higher officials of the Bethlehem Steel Company had, together with the president, drawn out a little more than four and a half million dollars before any return was made to the shareholders in any shape or form. Yesterday I took up a United States newspaper and found that the president of a tobacco company had received in the last year of his incumbency $1,220,000 in addition to his salary, and that five vice-presidents took out about $500,000 divided as bonus amongst themselves.

Hon. Mr. CASGRAIN: Was that with the consent of the shareholders or not?

Right Hon. Sir GEORGE E. FOSTER: I shall just give my version of the matter and leave it for others to comment upon it.

Now, that fact, it strikes me, is no credit to the capitalistic system as it exists at the present time. I do not believe that in the future this or any other nation will permit such an uneven division of profits to be made; and somehow or other, I think, a system will be found by which, above and beyond the wages due and paid to the labourers, there will also be a division of the profits on a more equitable basis than exists to-day. For capital is absolutely powerless unless labour is joined with it, and labour can do little, even with mountains of resources, unless capital is joined with it; and both necessary partners should have a fair division of surplus profits; and there ought to be some means of insuring a fair division of wealth among those who produce it.

Hon. Mr. HUGHES: Hear, hear

Right Hon. Sir GEORGE E. FOSTER: The achievement of those means is some-

thing which might advantageously occupy the attention of our publicists and legislators.

Hon. Mr. HUGHES: Would the right honourable gentleman tell us what salaries the men he mentioned were paid in addition to the bonuses?

Right Hon. Sir GEORGE E. FOSTER: The salaries, I believe, are comparatively nominal; probably from $12,000 to $20,000.

Perhaps also we may be able to throw some light on the general situation by referring to the difficulties that beset some particular industry. Let us take for example the newsprint and pulpwood industry in Canada. Why is it not flourishing? Is the reason not to be found in the lack of harmonious relation between production and consumption? Is it not a fact that the productive capacity has been increased out of all proportion to the demands of the market? It seems to me that we must devise some system for maintaining in every industry something like an even balance between production and the consumption markets. The task of establishing such proportionate relation would be a difficult one, but it seems to me that it should not be impossible, and all the more so as we are able, thanks to improved means of communication, to keep constantly in touch with conditions in every part of the world.

Now, I hope honourable senators will not think I am going to give a temperance lecture,—

Hon. Mr. LAIRD: Oh, no.

Right Hon. Sir GEORGE E. FOSTER: —although I will not admit that a temperance lecture might not do some good even here. But my remarks have been discursive, and presently I shall have something to say about "the trade," as it is euphemistically called. The honourable the Minister of Labour (Hon. Mr. Robertson) in dealing yesterday with the Government's contribution of $20,000,000 towards the relief of unemployment told us that the total sum that had been allotted by the federal, provincial and municipal authorities in providing work and other relief was about $90,000,000. Honourable gentlemen opposite, as well as those on this side of the House, were delighted to learn that such a large sum had been put into circulation in an attempt to provide some remedy in the present emergency. But what shall we say about the huge amount that was passed over the counters last year as a result of that singular partnership between the brewers and distillers, on the one hand, and provincial governments on the other? In eight of our provinces last year a total of $200,000,000 was collected and swept into the tills of the Government liquor vendors. Now, whether we be temperance fanatics or as wet as the Pacific Ocean, we cannot avoid the feeling that if there were a curtailment of the expenditure in that direction it would greatly improve general conditions. We cannot tell, if that $200,000,000 had not gone over the counters of the liquor shops, just what proportion would have found its way into the pockets of those engaged in legitimate trades—

Hon. Mr. POPE: Or illegitimate.

Right Hon. Sir GEORGE E. FOSTER: I mean, the naturally legitimate trades—

Hon. Mr. POPE: Or illegitimate.

Right Hon. Sir GEORGE E. FOSTER: Certainly a large proportion would have gone to the support of such trades.

Hon. Mr. POPE: And of bootleggers.

Right Hon. Sir GEORGE E. FOSTER: And what an impulse would have been given to the general business and trade of the country if a large proportion of that huge sum had been diverted to channels of useful trades. Now, as I have already said, the partnership between the brewers and distillers and the provincial governments is a singular one. I read the other day that an international commission had made an award against the Consolidated Mining and Smelting Company of $350,000 in favour of certain persons in the State of Washington whose gardens, lawns, orchards, tillable fields and forests had been damaged by fumes created by the operations of the company. That caused me to reflect. Is it or is it not a principle of law that a company which is chartered to do business will be protected in its operations so long as these do not cause injury to private persons and property, but if such injury is caused then compensation must be paid? For example, Parliament has granted a charter to the Canadian Pacific Railway, and our laws protect that company with respect to its rights, but if the company's servants negligently or otherwise destroy a farmer's cattle, the farmer must be compensated. But this partnership between the brewers and distillers and provincial governments, for what is called the control of the sales of liquor and the promotion of true temperance, is not subject to that principle. Certainly the distillers and brewers do not pay any compensation to the victims of their traffic. When a family is deprived of its breadwinner, as hundreds and thousands of families have been, and are being deprived, in order that the liquor traffic may flourish,

who compensates the family? Not the brewer. Not the distiller.

If it be claimed that governments derive a revenue from the sale of liquor, I ask who pays that revenue? Not the brewer. Not the distiller. The victim pays. And who cares for the resultant human rubbish? And who tries to ease the suffering that follows wherever the traffic flourishes? Not the brewer. Not the distiller. The other party, the provincial government, is the active partner who buys the product, who puts up the shops and delivers the goods in a seemingly respectable guise. Every provincial government makes a profit from the partnership, and discloses it in its annual budget statement. Ontario takes in $53,000,000 over the counters of the liquor shops and makes a profit of $7,000,000. But the Ontario Government does not compensate wives and families whose breadwinners have become victims of the traffic; nor does it make any compensation to society for the loss of manhood and womanhood that results. I think that this whole matter might well be the subject of investigation and remedial legislation.

In concluding my disconnected remarks, I express the hope that our people will not be deluded into thinking that it is possible to provide a plan of relief from our present burdens over-night. There is no royal road towards a thorough solution of our problems. Time and patience will be required, as well efficiency of the highest order, before we are able to rise entirely out of the present depression. I am certain that we shall rise out of it, chastened but strengthened and better equipped than ever for the march forward.

Right Hon. GEORGE P. GRAHAM: Honourable senators, as the honourable leader of the House (Hon. Mr. Willoughby) and the honourable the Minister of Labour (Hon. Mr. Robertson) have suggested that there should be a more general participation in the debates in this Chamber, and as the right honourable the junior senator for Ottawa (Right Hon. Sir George E. Foster) has acted on the suggestion, I feel that I, another member of the reserve force, should get into the front lines for a short time.

We have made history this session. For the first time our Parliament was opened by an Administrator who is a native Canadian, and he performed his duties well. I wish to express my regret that His Excellency has since become ill. I am sure we all hope he will have a speedy recovery and resume his place on the bench which he so highly adorned. Our present viceregal situation is a peculiar one. It is a mistake to say that we are without a Governor General, for Earl Willingdon still holds office; he is not actually the Viceroy of India yet. Practice forbids that we say much about our Governor General, but as an ocean is between us, perhaps I may be permitted to remark that Earl Willingdon performed yeoman service for the Dominion of Canada, and he was ably assisted by his good wife. It is my opinion that if these two excellent representatives of royalty are unable to launch India on its new constitutional program, then one might almost despair that the task will ever be accomplished. The gentleman who has been named to come to us as our next Governor General has a warm spot in my regard. He is Irish, and once again, after many years, we shall have an Irish representative of the Crown. That pleases me, because in some respects I am as clannish as the Scotch; and when I shake hands with the Governor General and say I am a fellow Irishman, I shall perhaps feel quite at home. His consort is a Parisian, and she too will find warm hearts here among Canadians who speak her native language, and among the rest of our people as well. Altogether it is a great combination, and the Bonne Entente organization in Canada will swell with pride, for we shall have the French and the Irish at Government House. Now, if the French and Irish people in Canada can live in harmony, then we ought to be happy in this country, because the rest of us can go along quietly.

I must not omit an expression of congratulation to the mover and the seconder of the Address in reply to the Speech from the Throne. The mover (Hon. Mr. Schaffner) has had long experience in making addresses in this House and elsewhere, and therefore I presume the duty that fell to him was not such an ordeal as it would have been to some honourable members who do not take so active a part in parliamentary affairs. I never moved an address in my life; so I do not know what it feels like to do so. I think perhaps the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) gave a clue to the reason why I never was asked to perform such a duty, and that is that the Government probably felt that in my rough way I might make some embarrassing statement. The fear that I might in my jerky way say something against the Government may be the reason. I congratulate the mover of the Address (Hon. Mr. Schaffner) on his speech. There is always meat in his remarks, and he expresses himself so that every person can understand him. I was delighted to hear the seconder of the Address (Hon. Mr. Bourque) speak in French, and my

admiration of his ability to speak the two languages was equalled only by the shame I felt because I could speak only one. All of us here who call ourselves representatives and who speak only one language ought to be ashamed.

Hon. Mr. BEIQUE: Why do you not learn?

Right Hon. Mr. GRAHAM: Well, twenty-five years ago I could speak fairly good French, but my French, like my shorthand, got away from me, and I became so stupidly ignorant about it and made so many blunders that the eloquence of my friends shamed me out of trying to speak it.

One feature has come to my mind from which I think we can extract comfort. I have read somewhere that the hard times in Canada were caused by some lack of governmental action, or something of that kind; but now we are all agreed that the depression is world-wide, and that it is not as bad in Canada as elsewhere. I take it that credit rather than blame attaches to the late Government for having prevented conditions in Canada from becoming as bad as they are in other countries.

Now I am going to say just a word or two in reference to the work of the Prime Minister —and what I say will be said more in love than in anger. The Prime Minister cannot continue to carry on the work of the various departments and sub-departments, as he is now attempting to do, without injury to himself. I speak as one who for a good many years went through the mill. His health, no matter how robust he may be, will eventually break down from this overburden of work. While it may not be convenient, as he points out, to unload some of this work at this time, as a personal friend and one who has oftentimes tried to do three or four men's work, I warn him against undertaking too much and expecting to retain his health and vigour.

I do not find so many specific things in the Speech from the Throne as my right honourable friend from Ottawa (Right Hon. Sir George E. Foster) did. There is mention of certain subjects, but their trail does not lead us very far. We are told that the Government is going to do this or that, but we are not given any idea as to how these things are to be done. I agree with the right honourable member from Ottawa, to whom I always listen with great delight, that it is the duty of Parliament to get down to detail if any benefits are to be reaped from its labours.

This Speech from the Throne is like all other Speeches from the Throne. My right honourable friend from Ottawa has helped to prepare them, my honourable friend by my side (Hon. Mr. Dandurand) has helped to prepare them, and I have been guilty of the same thing myself; so we have a working acquaintance with the procedure of devising Speeches from the Throne. I would go so far as to say that this Speech from the Throne is no better or no worse than others. Like most of them, it says too much and yet does not say enough. What I mean is that it contains so much language that it is difficult for us to ascertain what we really want to know. It is not peculiar in this respect. I know the difficulties of drafting a Speech from the Throne, because so many of the members of the Cabinet want "favoured nation" treatment when it is being prepared. I put this speech on a plane with other speeches, in the preparation of which I have had a hand.

Nothing has been said during the debate, I think, about the Tariff Board, although it was mentioned in the Speech from the Throne. I had the honour of organizing the Tariff Board, and I am more than pleased that repentance has come so quickly to the Government for having abolished that Board. Any member of a government who sits down and endeavours to give an intelligent hearing to the requests or complaints of deputations or business men knows how futile is the attempt. No minister of the Crown can devote hours to listening to deputations whose members desire an increase or a decrease in the tariff. No minister has the time to do that. Furthermore, a minister has other things to think of. Honourable members know from the experience of the past few weeks that the deputations that came here could not possibly be heard. As a matter of fact, days and days might be occupied in presenting data concerning certain industries, and months, possibly, have been consumed in preparation. The theory of a Tariff Board is absolutely sound, and the practice is just as sound. I am not criticizing the Prime Minister for abolishing the old Tariff Board, if he so desired, and I congratulate him on so quickly providing for another. It will not be the same, but I am not so particular whether it is or not. Nevertheless, the public and business interests demand that there shall be some forum in which they may appear, either personally or through counsel, and some body that will investigate their complaints.

When we inaugurated a Tariff Board and built up an organization around it, it was an experiment. I went to Washington and saw how the Tariff Commission worked there. And here may I give just a little word of warning? It may be wise to have a Tariff Board established by statute, and to have its

powers set out in the statute; but I warn the Government to be careful what those powers are. The people of Canada would not, I think, tolerate the idea of giving to any board which was not responsible to them the right to make a tariff. That is our prerogative, the prerogative of the people. So, if the powers of the Tariff Board are to be conferred by statute, none of them should be granted without careful study. I say without fear of contradiction that the Tariff Commission in the United States does not work smoothly; there is frequent difficulty; and Congress time and again has rebelled against things that the Commission has done without the consent of Congress. Under the United States statute, the Tariff Commission has power to investigate thoroughly, and, if it finds that the cost of production of a commodity in some other country is such as to permit it to come into undue competition with goods manufactured or produced in the United States, it can recommend to the President that the tariff be changed, either up or down, to meet the conditions, provided that the change does not exceed 50 per cent; and the President thereupon can change the tariff without any reference to Congress. We cannot go very far in this country along the line of giving anybody the power to change the tariff without letting Parliament know about it. Parliament has given certain powers to the Government to prevent, by Order in Council, any man, or group of men, from imposing extra prices on the people. The warning may not be necessary, but I would remind honourable gentlemen that the Canadian people are very sensitive about their right to have some voice in matters of taxation. It may be all right to give the Tariff Board certain powers by statute. Whether that is workable or not depends on how extensive those powers are.

In the Tariff Board organization there was a clerical staff that had become pretty well accustomed to securing the required data, and I would suggest—I may be wrong—that if those people are still available they should again be put at that work, because it will take months, perhaps a year, to gather together a new staff that will be capable of doing the work in as efficient a manner.

There is one thing that is missing from the Speech from the Throne, and because it is not there I am not going to dilate upon it. I refer to the St. Lawrence waterways. A very responsible gentleman made the promise somewhere, I think, that construction would be proceeded with at an early date. I do not see any mention of that in the Speech from the Throne. That, of course, does not mean that the work cannot be done; but if it had been mentioned it would have given us the "lead" which has been referred to by my right honourable friend from Ottawa (Right Hon. Sir George E. Foster).

On this side of the international boundary there has been a good deal of discussion in reference to the St. Lawrence waterways between the provincial and the federal authorities, and matters have been pretty well adjusted; but in the United States, the Governor of New York State has introduced a new plank into his platform—the plank of government ownership—and has had a commission report on the advisability of the State of New York developing power on the St. Lawrence river. The only way to straighten out the difficulty would be to have a conference between those interested. It has been said again and again that no power other than the federal power has any right to place a stick of timber in an international stream, or any navigable stream, without the consent of the federal power; so perhaps there is some reason for the St. Lawrence waterways not being mentioned in the Speech from the Throne. It is a bigger question now than it was a few months ago.

I am not at all sorry that my right honourable friend gave us the magnificent address that he did. It struck me that perhaps an occasional depression was not a bad thing. We know that in our own businesses we occasionally have to come to a halt, and take stock, in order to find out where we are going; and while the depression at this time is a serious matter to a great many people, I think, on the whole, that perhaps the country will emerge from it with new determination and new vision and will be better equipped to face or prevent similar difficulties in the future.

Now, may I say just a word about the economic situation. I admit that I cannot tell the farmer how to farm.

Hon. Mr. FORKE: That is remarkable.

Right Hon. Mr. GRAHAM: Almost everybody that I have ever met can tell a man how to run a newspaper; but, after all, the advice is not always good. If we have always told the farmers how to farm, I am not going to do it now. One thing I will say, however, and that is that unless an export market can be found for the farmer's produce, he might almost as well go out of business. You may say we have the home market. That is true, but it cannot take all of our own products. We are 10,000,000 people, and we cannot use all of the products of the farmers of the West, to mention nothing else; and if every

pound of goods and every machine from a foreign country were shut out of Canada, even though we had the home market to ourselves, the improvement in conditions, if there were any, would be very slight.

We are told that we must not have any more immigration. Perhaps that is right. I am not quarreling with that.

Hon. Mr. ROBERTSON: Who said that?

Right Hon. GRAHAM: There were orders to shut out immigration.

Hon. Mr. ROBERTSON: It was never suggested that that should be permanent.

Right Hon. Mr. GRAHAM: For the present, at all events, we cannot look to immigration to increase the number of our consumers. So what is the use of telling the farmers of the West to produce more when they cannot sell what they have? What is the use of urging the manufacturers to produce more goods, or bringing in manufacturers from outside, when we have nobody to buy such goods? We have to go in another direction and find customers who can buy them. After all, whatever the reason of it is, the real difficulty in Canada to-day is, not bad crops, or inability to raise wheat or produce machinery, but the scarcity of money with which to buy.

Hon. Mr. LYNCH-STAUNTON: Is that not always what makes hard times?

Right Hon. Mr. GRAHAM: I should not be surprised. It would with me. But when we have not a market at home, and cannot have until we have more people, we must either cut down on production or find markets elsewhere. Can we, by carrying on a tariff war, find a market outside of this country? We produce more goods than we can sell or consume here; we must sell our surplus goods to somebody; so the question is, to whom can we sell them. We can sell them only to the people from whom we buy. That is an ordinary business axiom. Now, if we put up our tariff walls so high that other people cannot get their goods in here, and they put their tariff walls up so high that we cannot send anything to them, we shall have no export market. I believe in a tariff, but I am strongly of the opinion that this war of tariffs is going to extremes, and that while we are doing so much talking about the tariff we are forgetting that what we need is some place to sell the goods that we produce.

There is another thing. Even if we could sell for cash, on the other side of the ocean, all the goods we produce in Canada, we could not compete with other countries, because with a very high tariff there would be no return cargoes.

Hon. Mr. LYNCH-STAUNTON: Does not the honourable gentleman know that we have an enormous trade with St. Pierre, and that we do not bring back anything at all?

Right Hon. Mr. GRAHAM: The right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster) says that is a curse—and perhaps it is.

Hon. Mr. LYNCH-STAUNTON: But there it is.

Right Hon. Mr. GRAHAM: I am just trying to make the general statement that this country cannot do for herself alone; she can do her share; but the nations of the world must come to some understanding as to how they are going to trade if there is to be prosperity throughout the world. One country cannot succeed alone, no matter what its raw materials or products may be. That cannot be done. We shall have to make some arrangement whereby the nations will be able to trade more freely with one another and in such a way that they all will profit.

Some reference has been made to treaties. Now, treaties are designed for the benefit of the countries concerned, and the negotiations must be conducted with that fact in mind. But whenever Canada makes a treaty, regardless of what government is in power and with what country the pact is made, some newspapers express strong criticism because certain concessions have been granted. These critics overlook the fact that a treaty is a bargain between two or more parties and cannot be one-sided. If we refused to work on the principle of give and take in our dealings with other countries, we should not be able to make any more trade agreements abroad, and those now in existence would not be renewed. Let that state of affairs continue for but a short time, then there would be no market for Canadian goods outside our own boundaries. Our great need is more foreign markets, but we cannot expect to get them if we will not take some goods from other parts of the world.

I think the honourable gentleman from Welland (Hon. Mr. Robertson) said yesterday that the proposal made to Great Britain by the Prime Minister, at the recent Imperial and Economic Conferences, was identical with the offer made by Sir Wilfrid Laurier in 1902.

Hon. Mr. CASGRAIN: In 1897.

Hon. Mr. SCHAFFNER: In 1902.

Right Hon. Mr. GRAHAM: In 1902. But, as the right honourable the junior senator for Ottawa (Right Hon. Sir George E. Foster) pointed out, times have changed. The fact that a thing was good in 1902 is no proof that it is good to-day.

Hon. Mr. LYNCH-STAUNTON: Why not?

Right Hon. Mr. GRAHAM: Because conditions have changed.

Hon. Mr. LYNCH-STAUNTON: Changed in what way?

Right Hon. Mr. GRAHAM: The honourable member should have listened as carefully as I did to the right honourable the junior senator for Ottawa. Conditions have changed and we must deal with the situation as it exists to-day. I have attended economic conferences and I know something of how they are conducted. Just as in Parliament, the real work of such conferences is done by committees and informal groups. As every honourable member knows, the speeches that are made on the floor of this Chamber, for example, do not have much effect upon the way we vote. When a member of any parliamentary body, or of an economic conference, wishes to press a certain matter forward to success, he will usually take it up with a number of other members and lay his cards on the table. It is impossible to obtain a knowledge of what takes place at an economic conference from the speeches that are delivered there. For example, at the Economic Conference of 1923, which I attended, all the proposed changes with respect to preference were decided upon by representatives of the British and overseas governments before the matters were formally brought up for discussion. I shall not quote any of the remarks that I made at that gathering, although I have them before me. On behalf of Canada it was pointed out that we had no desire to interfere in the fiscal policy of the British Government, but if they decided to change their policy we should be glad to tell them how they could do so in the best interests of this Dominion. After conclusions had been reached by the Prime Minister and his confreres, the late Sir Lomer Gouin and myself, the Prime Minister wrote a letter, a copy of which is on record, to members of the British Government, suggesting certain things that would prove beneficial to Canada if they decided to make a change in their fiscal policy. At the top of the list we recommended preferential treatment for Canadian wheat. But no British Government has so far seen fit to follow that recommendation. However, at that conference we got a promise, as definite as could be made by the British delegates, that preference would be given to a long list of our goods, including fruits and fish. There was another edition of that list later, and it was a little better for us. But unfortunately for Canada a new government came into power in the Old Country before the proposals were put into effect, and most of our objectives were not achieved.

Now, I want to point out a great difference between the proposal that was made to the British Government by the present Prime Minister and that made in 1902 by Sir Wilfrid Laurier. Sir Wilfrid Laurier went to London with an olive branch in his hand. His Government had passed a measure of preference to Great Britain before he left this country. He did not go with the object of driving a bargain. As an expression of good-will towards Great Britain, and of appreciation of the fact that that country for some years had allowed the free entry of our products to her markets, Canada made a gesture. Sir Wilfrid therefore was able to point out what already had been done, and to add that Canada would be very pleased if the Mother Country would grant certain preferences in return. But before the present Prime Minister left for Great Britain he erected a trade barrier against that country. Obviously the situations are not at all identical, for in the first instance Canada's representatives bore an olive branch, while on the last occasion they went with a hickory club. The present Government raised the duties on British goods and then at the conference Canada's representatives said to Great Britain, "We will make the duty 10 per cent higher on goods from other countries, if you will do certain things for us."

I do not desire to say anything further about the tariffs. I know as much about tariffs as some people, and not as much as some others. We could discuss tariffs for years without getting any nearer to a solution of our present difficulties than we now are. This country has been prosperous under Conservative governments. I admit that frankly, although at one time I did not think such a thing was possible. But under Liberal administrations the country has had the most prosperous periods in its history. Experience indicates that our trade is not affected to such a great extent as we sometimes imagine it is by fluctuations in the tariff.

I have great faith in Canada. I believe that it is sound, that our people are sound, and that we can stand a depression of this kind better than any other country in the world. If I did not think that Canada was a good place to live in I would not be advis-

ing young men and women to come to it and to stay in it. But we need to proceed carefully; we should learn a lesson from our experiences during this depression, and be better prepared if and when there is a recurrence of economic stress in the future.

As a final remark, I wish to emphasize that an absolutely essential step towards the permanent prosperity of Canada is the devising of a system whereby we can trade more freely and to a larger extent with all the countries of the world than we now do.

Hon. J. LEWIS: Honourable senators, I desire simply to make a few remarks with regard to the alleged analogy between the position that was taken by the Prime Minister at the latest Economic Conference and that which was taken by Sir Wilfrid Laurier at the conference of 1902. Perhaps it is not generally remembered that in Great Britain in 1902 there was a duty of one shilling a quarter, or three cents a bushel, on wheat. That duty was imposed, not for protection, but as a tax to help defray the cost of the South African War. The Canadian Government asked that the imports of wheat from this country should be exempt from that tax. Instead of demanding that food taxes be imposed for the benefit of Canada, our Government suggested that the people of Great Britain be exempted from a food tax, so far as imports from the Dominion were concerned. So it is clear that the position was diametrically opposite to that taken by the present Prime Minister of Canada last fall.

The Address was adopted.

The Senate adjourned until Wednesday, March 25, at 3 o'clock p.m.

THE SENATE

Wednesday, March 25, 1931.

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

Prayers and routine proceedings.

TAX FREE GOVERNMENT BONDS

INQUIRY

Hon. Mr. HUGHES inquired of the Government:

1. What was the amount of the tax free bonds issued during the war?
2. What is the amount of such bonds still outstanding and by how many persons are they being held?
3. What is the date of maturity of these bonds?

Hon. Mr. WILLOUGHBY: The answer to the honourable gentleman's inquiry is as follows:

1. $1,382,066,550.
2 and 3.

Maturity Date	Amount Outstanding
October 1, 1931	$ 52,929,600
November 1, 1933	446,659,950
March 1, 1937	90,166,900
December 1, 1937	236,299,800
	$ 826,056,250
Various matured loans	269,450
	$ 826,325,700

The number of individual holders is not known.

EXTINGUISHMENT OF INDIAN TITLES

MOTION FOR RETURN

Hon. Mr. HUGHES moved for a return showing:

What has it cost up to date to extinguish the Indian titles in the several provinces in which they have been extinguished, and what is the yearly sum paid to the Indians for such extinguishment, and how long will these payments continue?

The motion was agreed to.

UNEMPLOYMENT RELIEF ACT, 1930

REPORT OF DOMINION DIRECTOR

Hon. G. D. ROBERTSON: Honourable senators, I lay upon the Table a report arising out of the legislation passed at the short session last fall. It has been felt that this report, which, under the Act, was to be laid on the Table within fifteen days of the commencement of the present session, would be of interest to all honourable members of both houses; therefore a copy for each member will be placed in the post office to-day. The report contains a great deal of information in regard to the administration of the unemployment fund, in co-operation with provincial and municipal authorities; the provinces in which the money has been spent; the percentage of the cost of works borne by the municipalities, the provinces, and the Dominion, and many other relevant details. Copies of the agreements entered into with the various provincial governments are appended to the report. Should any honourable gentleman desire further information, it will be our pleasure to obtain it for him.

The Senate adjourned until Monday, March 30, at 4 p.m.

THE SENATE

Monday, March 30, 1931.

The Senate met at 4 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

FEDERAL DISTRICT COMMISSION—ADVANCES AND LOANS

MOTION FOR RETURN

Hon. Mr. HARMER moved:

That an Order of the House do issue for a return showing:—

1. The amount of money advanced by the Dominion Government to the Federal District Commission or its predecessor.

2. The amount of bonds, debentures, etc., issued by the Governments of Canada, the proceeds of which were used for Federal District improvements or maintenance.

The motion was agreed to.

HARBOURS—ADVANCES, GUARANTEES AND EXPENDITURES

MOTION FOR RETURN

Hon. Mr. HARMER moved:

That an Order of the House do issue for a return showing:—

1. The amounts of moneys advanced to each Harbour Board or Harbour Commission in Canada, and the date of said advances.

2. The amount of bonds, debentures, etc., issued by each of the Harbour Boards or Harbour Commissions, bearing the guarantee of the Dominion Government, giving the date of issue, term of years each issue made for, and the rate of interest each issue bears.

3. The amount of money expended by the Dominion Government upon the Harbours now under Harbour Boards or Commissions, previous to those harbours being so administered.

The motion was agreed to.

GOVERNMENT LEASES IN OTTAWA

MOTION FOR RETURN

Hon. Mr. HARMER moved:

That an Order of the House do issue for a return showing:—

1. Location or description of all properties in the City of Ottawa, leased by the Dominion Government.

2. The square feet of floor space of each.

3. The annual, or monthly, rental of each lease.

4. Date of lease.

5. Date of expiration.

6. Where any leases include janitor services or other perquisites, the same to be given.

7. Where any leases exempt the owner from municipal taxes, the same to be shown.

The motion was agreed to.

Hon. Mr. ROBERTSON moved that the Senate adjourn during pleasure.

He said: Honourable members, the Supplementary Supply Bill is under consideration in another place at the present time. It is expected that it will be here before evening. It may reach us by five o'clock, and in that case the Acting Administrator will be present and will give the Royal Assent. It is intended afterwards to adjourn until the 13th of April. Last Wednesday, when we met, it was felt, I think, that we should adjourn for one week longer than the House of Commons, namely, to the 20th of April; but honourable members will appreciate the necessity of this House reconvening on the 13th of April, in order that a Supply Bill may be passed before the 15th of the month.

The motion was agreed to, and the Senate adjourned during pleasure.

After some time the sitting was resumed.

Hon. Mr. ROBERTSON: Honourable senators, the Supplementary Supply Bill is still under consideration in the other House.

At six o'clock the Senate took recess.

The Senate resumed at eight o'clock.

Hon. Mr. ROBERTSON: Honourable members, the business for which the Senate is waiting is likely to reach us to-night, but at what hour I am unable to say. I therefore suggest that we again adjourn during pleasure.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

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

THE SENATE

Tuesday, March 31, 1931.

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

Prayers and routine proceedings.

Hon. Mr. WILLOUGHBY moved that the Senate adjourn during pleasure.

He said: Honourable members, I desire simply to report the latest news from the scene of war, brought to me by my desk mate (Hon. Mr. Robertson). There is a possibility that we may have the Supplementary Supply Bill over from the other House by half-past four. In the meantime, I hope honourable members will keep within call of the bell.

The motion was agreed to, and the Senate adjourned during pleasure.

After some time the sitting was resumed.

Hon. Mr. WILLOUGHBY: Honourable members, I have nothing further in the way of encouraging news to give you. All we can do is to report progress. Some of you know as well as I do what progress has been made. The question is for how long we should adjourn.

Hon. Mr. SCHAFFNER: Until after Easter.

Hon. Mr. WILLOUGHBY: The fact is, as you know, the time covered by the supplementaries will lapse to-day. If we meet at half-past eight and have a quorum, everything may turn out right. Although there has been some delay, there is no organized attempt to block supply. In any event, the best suggestion I can offer is that we should now call it six o'clock, and should meet again at half-past eight.

Hon. Mr. ROBERTSON: Before the motion is put, may I suggest to all concerned that it is important that there be a quorum here to-night when the House reassembles, because the supplementary estimates now being considered in the other House must be passed on the 31st of March, or there will be some difficulty with respect to the various items. Therefore I urge every member here to be present to-night, and to ask others to whom he may speak to be present also.

Hon. Mr. McLENNAN: Would it not be better to meet at nine o'clock?

Hon. Mr. CASGRAIN: I have been here a long time, and it is my experience that His Honour the Speaker can always see a quorum when necessary, because those whose names appear on the list of the members convened are considered present, though they may be in the corridors, or in the Library, studying affairs of state or preparing speeches to be delivered. So there need be no fear about a quorum.

I really believe I was right the other day when I said it was cutting too close—

Hon. Mr. ROBERTSON: Why remind us of that?

Hon. Mr. CASGRAIN: —to meet at four o'clock on Monday for the purpose of dealing with matters that were to be taken into consideration elsewhere at three o'clock the same day. I believe that in future it would be better to leave a longer interval, and not give those in another place the satisfaction of keeping us waiting.

Hon. Mr. POPE: Does not the honourable member appreciate that he is getting $4,000 a year for coming here, and never does anything to earn it? Is he dead or alive to that issue? The people of Canada are not dead to it. Let the honourable gentleman not forget that.

Hon. Mr. CASGRAIN: If the honourable gentleman is asking a question—

Hon. Mr. POPE: I am not asking a question.

Hon. Mr. CASGRAIN: I am quite willing to let my record on Hansard determine what my contribution has been during the thirty-one years that I have been in the Senate, and whether or not it has been as great as that of other honourable members. I have spoken, sometimes, even at the request of the leader of the other side, the late Hon. Sir James Lougheed. I leave that for my honourable friend's consideration.

Hon. Mr. POPE: I quite agree that the honourable gentleman's record on Hansard has cost a lot of money.

Hon. Mr. GRAHAM: I should like to point out that the Bill that is to come before us is a money Bill. His Honour the Speaker, I know, has great vision, and would see a quorum; but some unrepentant sinner might call attention to the fact that his vision was not accurate, and then we should be in a dilemma. I suggest that we should make sure of having a quorum present.

At six o'clock the Senate took recess.

The Senate resumed at 8.30 p.m.

Hon. Mr. WILLOUGHBY moved that the Senate adjourn during pleasure.

He said: Honourable senators, I regret that I am still unable to say when we may expect to receive the Supplementary Supply Bill. I am not a mind-reader; so I cannot tell what may happen in another place to-night. As all honourable members realize the desirability of having the supply voted to-night, if possible, I suggest that we adjourn for the time being, and hold ourselves in readiness to resume at the call of His Honour the Speaker. Honourable senators on both sides of the House have readily attended the recent irregular sittings, even though sometimes it must have been inconvenient for them to do so, and once again I crave their indulgence.

The motion was agreed to, and the Senate adjourned during pleasure.

After some time the sitting was resumed.

Hon. Mr. WILLOUGHBY: Honourable senators will recognize that although we have not made progress to-day, we have at least held ourselves in readiness to facilitate the business of the country, and for this purpose

have been assembling from time to time. But after meeting and adjourning several times, it has at last become apparent to us, I regret to say, that the other House will not complete its labours on the Bill in time to send it to us to-night. I have to move, therefore, that the Senate adjourn until to-morrow. In so doing I wish to thank honourable members opposite who have so generously responded to the request to maintain a quorum. Some honourable members have gone away to-night. As it is absolutely necessary to have a quorum in order to deal with the Bill, I would ask all present to be good enough to be here again to-morrow.

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

THE SENATE

Wednesday, April 1, 1931.

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

Prayers and routine proceedings.

On motion of Hon. Mr. Willoughby, the Senate adjourned during pleasure.

After some time the sitting was resumed.

APPROPRIATION BILL No. 1

FIRST READING

Bill 17, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1931.—Hon. Mr. Robertson.

SECOND READING

Hon. G. D. ROBERTSON moved the second reading of the Bill.

He said: Honourable members, this Bill covers supplementary estimates for the fiscal year ending March 31, 1931, and provides for the granting of moneys to pay for liabilities that have been incurred for the purposes of carrying on government, and that were not foreseen when the main estimates for the year were passed. There are numerous details in the sixty odd items, which represent a total of $19,842,664.22. I fancy that it is not necessary for me to make a detailed explanation of the Bill, on the motion for second reading, at any rate. Most honourable senators, I presume, have familiarized themselves with the discussion that occurred in another place, where the estimates were dealt with in detail.

Right Hon. G. P. GRAHAM: Honourable members, I presume it will not be out of place to stipulate as is usually done, that the passing of supply with virtually no discussion is not to preclude honourable senators from discussing any items of the Bill when we are considering supply in the future. I prefer to call estimates of this kind supplemental appropriations, by way of distinguishing them from the regular supplementary estimates. At every session we have the main estimates, and invariably before prorogation there are supplementaries. In those two instances supply is granted for money to be spent, but a supply Bill brought in at the end of a fiscal year is intended to cover liabilities already incurred, for which no money was voted. To borrow a term used by the bankers, the purpose of the present Bill is to cover up —I do not mean it is to hide—what we might call an overdraft. I presume that not much, if any, of the money referred to here has actually been expended, but the liabilities have been incurred. With the stipulation that I have made, I have no objection to the second reading.

Hon. Mr. ROBERTSON: I may say to my right honourable friend that the term "supplementary," which I used, appears on the Bill itself.

Right Hon. Mr. GRAHAM: I know it does.

Hon. Mr. ROBERTSON: I am perfectly willing to agree that perhaps the other word might be just as appropriate, but "supplementary" is used on the Bill that we have before us.

Right Hon. Mr. GRAHAM: That is what we have to pass.

Hon. Mr. ROBERTSON: I have no objection, and I do not think the Government would have any, to honourable senators discussing any of the items in this Bill when the main estimates are under consideration.

Hon. Mr. WILLOUGHBY: That is perfectly agreeable.

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

THIRD READING

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

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

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Hon.

Edmund L. Newcombe, Deputy Administrator of the Government of Canada, would proceed to the Senate Chamber this day at 3.30 p.m. for the purpose of giving the Royal Assent to the Supplementary Supply Bill.

The Senate adjourned during pleasure.

The Honourable Edmund L. Newcombe, Deputy Administrator, 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 Honourable the Deputy Administrator was pleased to give the Royal Assent to the following Bill:

An Act for granting to His Majesty a certain sum of money for the public service of the financial year ending the 31st of March, 1931.

The House of Commons withdrew.

The Honourable the Deputy Administrator was pleased to retire.

The sitting was resumed.

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

THE SENATE

Monday, April 13, 1931.

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

Prayers and routine proceedings.

NEW SENATOR INTRODUCED

Hon. Lawrence Alexander Wilson, of Rigaud, Quebec, introduced by Right Hon. G. P. Graham and Hon. J. P. B. Casgrain.

THE LATE SENATOR LESSARD

TRIBUTE TO HIS MEMORY

Hon. G. D. ROBERTSON: Honourable senators, perhaps this would be an opportune time to refer to the passing of one of our members, which has occurred since we adjourned before Easter. I refer to the Hon. Mr. Lessard, of Alberta. He was an ornament to this House. He knew Canada well. Born in the Province of Quebec fifty-seven years ago, he went west in early life and was one of the pioneers in the settlement of the Province of Alberta. He played an active part in the development of that province, and was particularly interested in the welfare of the people of his own race. It is fitting that at this time we should remember his life and work and pay tribute to his memory.

Senator Lessard was a delightful friend and polished gentleman. It was my privilege to meet him in his own province on a number of occasions, two of which I recall particularly well at the moment. One of those meetings with him was in the city of Edmonton, and I was greatly impressed with the high regard in which he seemed to be held by the citizens of his own community; and the last time that I remember dining with him was in the company of half a dozen other gentlemen, all of whom obviously were his close personal friends and admirers. I am sure I voice the feelings of the honourable the leader of the Government in the House (Hon. Mr. Willoughby), who is absent to-night, as well as the feelings of all honourable members on this side, in rendering a tribute of respect to the memory of the late Senator Lessard and in extending condolence to his bereaved family. The life and work of our late friend will, I am sure, be long remembered in Western Canada.

Hon. R. DANDURAND: Honourable senators, I desire to join in the tribute that has just been paid to the memory of the late lamented Senator Lessard. It was not my privilege to be closely associated with him, but of his work and reputation I heard much. I was particularly impressed by our late friend's courage and energy. Indeed, I have a high admiration for any man who, in an effort to improve his position in life, leaves his native home, his friends and relatives, and, moving far away, endeavours to work out a career in a new environment. At the age of twenty-five Mr. Lessard left his native province of Quebec and went to Edmonton. In a short space of time he became engaged in a wide range of activities, and one need but look at the short biographical sketch of him which is available to realize the great strides he made and the diversity of interests to which he successfully devoted himself. Not only was he active in commercial ventures, but he played a prominent part in social, military and political affairs in Alberta. As my honourable friend has just said, the late Senator was one of the Western pioneers. He was a robust and strong citizen, who became highly popular and respected in his own community. He was elected to the Alberta Legislature a few years after his arrival in the West, and was favoured with the support of his constituents from 1909 to 1921. Still a young man when called to the Senate, he gave promise of a splendid career in this Chamber. No longer shall we be able to avail ourselves of his advice, from which we often benefited when questions of particular interest to Alberta and other western provinces were being considered here.

Ordinarily we expect the old to die before the young, but we have learned from experi-

ence that sometimes the young are the first to be called away. Thus we are reminded of the uncertainty of existence. Our days are numbered, but no one knows how far he will travel along the road of life. A departed friend, a former leader of mine in this Chamber, Hon. Mr. Scott, used to say: "What shadows we are! What shadows we pursue!" But we must carry on and not falter, doing day by day and year by year the work that falls to our lot, so that when our time comes to pass on each of us will leave behind the record of a life's work well done.

On behalf of members on this side of the House, I join with the honourable gentleman in extending to the family of the late Senator Lessard our deepest sympathy.

Hon. G. LACASSE: Honourable senators, may I, as one of the younger members of this Chamber, be permitted to add a few words to the appropriate remarks just made by my older colleagues. I am one of a little group of men who were born in the old province of Quebec, who moved to other parts of the Dominion to establish a business or open professional offices, and who eventually were chosen to represent minority elements of their adopted provinces in the councils of the nation. My honourable friend from Gloucester (Hon. Mr. Turgeon) belongs to that group, as does the honourable gentleman from St. Boniface (Hon. Mr. Bénard). To that group also belonged Prosper Edmond Lessard. So perhaps I may be allowed to express particularly on behalf of the remaining members of that group our regret at the sudden passing of the honourable senator from St. Paul, and to extend to his bereaved family our heartfelt sympathy.

The Angel of Death knocks at the door of this Chamber at irregular intervals, and no one knows on whom the next summons will be served. Normally we should expect that our older colleagues would be called first; but Providence reigns supreme in matters of life and death, as in everything that concerns mankind, and, with respect and humility, we must abide by its mysterious decrees. The latest summons has caused a great sorrow in the home of what was a happy family in distant Alberta; and the city of Edmonton mourns the passing of one of its most distinguished citizens. Never again shall we see the smiling and sympathetic face of Prosper Edmond Lessard; no longer shall we be able to appreciate his genial and affable personality. Our friend has passed to the Great Beyond whence no one ever returns. We shall sadly miss his companionship and wise advice, and particularly so at this crucial time, when Canada needs her truest hearts and her best brains to deal with the huge and exceptionally difficult problems that now face her public men. Let us cherish the hope that the example of his life, full of devotion and earnestness in the accomplishment of his many duties, will be an inspiration for the youth of this country, and let us hope also that the man who is selected by the Government to occupy his vacant chair will live up to the same high ideal that inspired the life of our kind-hearted friend. We shall always remember Senator Lessard as a good citizen, a good father, a true Christian, a most sociable man, a conscientious and able legislator, and a true friend.

BUSINESS OF THE SENATE

Hon. Mr. ROBERTSON: Honourable members, it is anticipated that to-morrow an interim Supply Bill will be brought down in another place, and it is confidently expected that we shall be called upon to deal with it on Wednesday. It will not be necessary for the Senate to meet to-morrow, and with the consent of the House I would move that when the Senate adjourns to-night it do stand adjourned until Wednesday next at three o'clock in the afternoon.

The motion was agreed to.

The Senate adjourned until Wednesday, April 15, at 3 p.m.

THE SENATE

Wednesday, April 15, 1931.

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

Prayers and routine proceedings.

Hon. Mr. ROBERTSON moved that the Senate adjourn during pleasure.

He said: Honourable members, it is expected that an Interim Supply Bill will be received from the House of Commons this afternoon, and I believe arrangements have been made for His Excellency to come to the Senate to give Royal Assent to the Bill. In moving that the House adjourn during pleasure, I therefore suggest that honourable members remain within call of the bell, which will be rung as soon as the measure is sent over from the other Chamber.

The motion was agreed to, and the Senate adjourned during pleasure.

After some time the sitting was resumed.

Hon. Mr. ROBERTSON: Honourable members, word has just been received that it is not probable that the Supply Bill will be passed in the other House in time to be dealt with here to-day. I have therefore no other course to pursue than to move that the House adjourn until to-morrow at 3 o'clock.

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

THE SENATE

Thursday, April 16, 1931.

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

Prayers and routine proceedings.

APPROPRIATION BILL No. 2

FIRST READING

Bill 25, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1932.—Hon. Mr. Robertson.

SECOND READING

Hon. G. D. ROBERTSON moved the second reading of the Bill.

He said: Honourable members, in moving the second reading of this Bill, may I in a few sentences explain its purposes, which are two. The first is to provide for the granting of one-sixth of the amount shown in the main estimates, in order that the public business may be carried on during the next sixty days, it being anticipated that during that period there will be opportunity to analyze and discuss the estimates in detail in another place. The amount asked for under this section of the Bill is $40,199,447.43, and is for civil government. The second purpose of the Bill is to provide for the carrying on of certain services that have to do with the Canadian National Steamships and the Maritime Freight Rates Act. For this purpose there is required a total for the year of $11,325,988, one-sixth of which is $1,887,664.67, the amount we are now asked to pass.

Unless there are other details or further information desired, I will not add to these brief remarks in moving the second reading of the Bill.

Right Hon. GEORGE P. GRAHAM: Honourable members, this being what might be called the usual Interim Supply Bill, I see no advantage in detaining the House at the present time to discuss details or justify the estimates, as when the remainder of the main estimates are placed before the House we shall have full opportunity to discuss all the items contained in them, including these. I have no objection to the passing of the Bill.

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

THIRD READING

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

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

ADJOURNMENT OF THE SENATE

Hon. Mr. ROBERTSON: Honourable members, may I at this time move that when the Senate adjourns to-day it do stand adjourned until Tuesday, May 5, at 8.15 o'clock, daylight saving time.

The motion was agreed to.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Hon. Edmund L. Newcombe, acting as Deputy of the Governor General, would proceed to the Senate Chamber this day at 3.45 p.m. for the purpose of giving the Royal Assent to the Interim Supply Bill.

The Senate adjourned during pleasure.

The Honourable Edmund L. Newcombe, 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 Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following Bill:

An Act for granting to His Majesty a certain sum of money for the public service of the financial year ending the 31st of March, 1932.

The House of Commons withdrew.

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

The sitting was resumed.

ADJOURNMENT OF THE SENATE

Hon. Mr. ROBERTSON moved the adjournment of the Senate.

He said: On my own behalf, and on behalf of our leader, who is absent for the moment, I would express appreciation to all who have helped to ensure a good attendance on this

occasion, when the only business to be done in the performance of our duties was the passing of the Interim Supply Bill.

Hon. Mr. CASGRAIN: Before the House adjourns may I ask—for I have a friendly feeling for the honourable leader of the other side of the House (Hon. Mr. Willoughby)—whether his absence is caused by illness. I fear that perhaps he is not well.

Hon. Mr. ROBERTSON: I thank my honourable friend for his inquiry. I think that the honourable leader (Hon. Mr. Willoughby) is quite well, but that he felt it scarcely necessary to come here, all the way from Moose Jaw, for an hour's work, and I am confident that he will be with us when we meet again on the 5th of May.

The Senate adjourned until Tuesday, May 5, at 8.15 p.m., daylight saving time.

THE SENATE

Tuesday, May 5, 1931.

The Senate met at 8.15 p.m., Hon. C. P. Beaubien in the Chair.

Prayers and routine proceedings.

LEAGUE OF NATIONS—COST TO CANADA

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

What has been spent by Canada in money from the inception of the League of Nations to the 31st March, 1931?

Hon. W. B. WILLOUGHBY: Canada's contribution to the expenses of the League of Nations, including Secretariat, International Labour Organization and Permanent Court of International Justice; salaries and expenses of the Office of the Canadian Advisory Officer; expenses of Canadian delegates to the Assembly and commissions of the League of Nations; publications of the League of Nations for distribution to Members of Parliament, and grant to the League of Nations Society in Canada:

1919-20 (part year)	$ 64,043 15
1920-21	219,952 29
1921-22	196,526 69
1922-23	210,531 83
1923-24	193,712 19
1924-25	180,252 49
1925-26	185,774 66
1926-27	181,549 79
1927-28	192,870 37
1928-29	199,526 76
1929-30	216,296 94
1930-31	231,982 24

REGISTRATION BILL

FIRST READING

Bill A, an Act respecting the registration of all British and alien subjects in the Dominion of Canada.—Hon. Mr. Casgrain.

BANKRUPTCY BILL

FIRST READING

Bill B, an Act to amend the Bankruptcy Act as respects the locality of a debtor.—Hon. Mr. Bureau.

DISTILLERY AT BERWICK, NOVA SCOTIA

MOTION FOR RETURN

Right Hon. Sir GEORGE E. FOSTER moved:

That an Order of the Senate do issue for a return showing: copies of all correspondence, including applications, recommendations and protests with reference to the proposed issue of a licence to one Steppanski to operate a distillery at Berwick, Nova Scotia.

The motion was agreed to.

PARLIAMENT GROUNDS

VEHICULAR TRAFFIC

Before the Orders of the Day:

Hon. J. J. HUGHES: Honourable senators, some six weeks ago, before the Easter adjournment, I called the attention of the House to the fact that cars coming into the Parliament grounds through the East Gate are permitted to take either a right or a left turn, contrary to the former regulation, under which they could make a right turn only. It seems to me that accidents are more likely to occur there under the present conditions; and I think the East Gate is the one through which most senators enter the grounds. When I raised this question before the honourable leader of the House told us that he would have the matter looked into, and I presume that has been done. Perhaps I am the only one who objects to the present regulation. If so, of course I shall be content, although I think the former regulation should be restored.

Hon. Mr. WILLOUGHBY: The honourable gentleman knows that I laid on the Table a departmental return stating that the method adopted at the present time, in the view of the engineer in charge, afforded greater security than the previous practice.

Hon. Mr. HUGHES: I did not know that such a return had been made.

Hon. Mr. WILLOUGHBY: It will be found in the record.

CANADIAN NATIONAL RAILWAYS BILLS

FIRST READINGS

Bill 5, an Act to amend the Canadian National Railways Act.—Hon. Mr. Willoughby.

Bill 9, an Act to ratify and confirm certain agreements respecting the joint use by the Canadian National Railways of certain tracks and premises of Canadian Pacific Railway Company at Regina.—Hon. Mr. Willoughby.

CANADA EVIDENCE BILL

FIRST READING

Hon. Mr. WILLOUGHBY presented Bill 10, an Act to amend the Canada Evidence Act.

The Bill was read the first time.

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

Hon. Mr. WILLOUGHBY: Friday.

TICKET OF LEAVE BILL

FIRST READING

Hon. Mr. WILLOUGHBY presented Bill 11, an Act to amend the Ticket of Leave Act.

The Bill was read the first time.

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

Hon. Mr. WILLOUGHBY: Friday.

Hon. Mr. DANDURAND: Honourable senators, the practice in this Chamber has been to make a motion if it is desired to fix a special date for the second reading of a Bill. I do not know whether there is an obligatory rule on this point, but such has been the uniform practice. I raise this question now because there may be times when some honourable members would desire to discuss a special date proposed for the second reading of a Bill.

The Hon. the ACTING SPEAKER: I am advised that when it is desired to fix for the second reading a date other than that provided by the rules, a motion is necessary.

Hon. Mr. WILLOUGHBY: I think the shorter way is the better way, and there is no valid objection.

ROYAL CANADIAN MOUNTED POLICE BILL

FIRST READING

Hon. Mr. WILLOUGHBY presented Bill 29, an Act to amend the Royal Canadian Mounted Police Act.

The Bill was read the first time.

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

Hon. Mr. WILLOUGHBY: Friday.

NORTHERN ALBERTA RAILWAYS BILL

FIRST READING

Hon. Mr. WILLOUGHBY presented Bill 36, an Act respecting Northern Alberta Railways Company.

The Bill was read the first time.

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

Hon. Mr. WILLOUGHBY: Friday.

GOVERNMENT EMPLOYEES COMPENSATION BILL

FIRST READING

Hon. Mr. WILLOUGHBY presented Bill 37, an Act to amend the Government Employees Compensation Act.

The Bill was read the first time.

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

Hon. Mr. WILLOUGHBY: Friday.

SALARIES BILL

FIRST READING

Hon. Mr. WILLOUGHBY presented Bill 38, an Act to amend the Salaries Act.

The Bill was read the first time.

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

Hon. Mr. WILLOUGHBY: Friday.

THE LATE SENATOR G. G. FOSTER

TRIBUTES TO HIS MEMORY

Hon. W. B. WILLOUGHBY: Honourable senators, it becomes the sad duty of the leader of the House to refer to the death of another senator, the Hon. G. G. Foster. I felt peculiarly attached to our late friend and was under many obligations to him, but my remarks at this time will be brief because the honourable gentleman to my right (Hon. Mr. Robertson) represented the Government at the funeral and intends to speak to us; and I know the honourable leader on the other side (Hon. Mr. Dandurand), who is a citizen of the same city as was the deceased senator, will desire to pay his tribute.

On looking up a biographical sketch of the late Senator Foster I find that he was called to the Senate in the same year that I was,

1917, although at that time he seemed to me to be my senior in political experience. I early came under his magnetic spell. He was one of the most charming men I have ever known, and the kindly feelings that I entertained towards him in the beginning were enhanced year by year. Not only was he at all times pleasant in manner, but he was an able counsellor when we were dealing with important legislation. He was a distinguished member of his profession, being an ex-Batonnier of the Bar of Montreal and an ex-Batonnier General of the Bar of the Province of Quebec; and he was intimately associated with large commercial and financial institutions in Montreal. By virtue of the high place he held among professional and business leaders, he had an outlook on life that was very helpful to those of us whose experience was more limited. We Westerners who have dabbled in land found in him something that made a special appeal, because he had a farm of his own. I know he took great pride in that farm and strove to make a reasonable success of it. He would have been a wizard had he been able to make money out of farming, even in the Province of Quebec.

We shall miss the kind face and the wise counsel of the late Senator Foster in this House. He had been Chairman of perhaps our most important committee, the Committee on Banking and Commerce. On one or two occasions I happened to substitute for him in that position, at his request, and at such times he gave me beforehand advice that was of great value in dealing with certain bills. It is with sincere regret that this House mourns what seems to me his early and untimely death.

Hon. G. D. ROBERTSON: Honourable senators, the passing of our friend and colleague, the Hon. George G. Foster, undoubtedly came as a shock to us all. Born in 1860, he was in his seventy-first year. He was a member of the Senate for some fourteen years, and I am sure that all honourable senators will agree with me when I say that while we were not privileged to hear him frequently in this House, he was listened to with the closest attention when he chose to speak to us, and at all times his views were regarded with the highest respect.

No one could have attended the funeral yesterday at Knowlton, Quebec, without being impressed by the fact that his passing was sincerely mourned by the people of that district. The deep sorrow that one saw all around was a fitting and glowing tribute to his memory. One of the most touching sights was the presence, at the church and the burial ground, of his aged mother, in her ninety-fifth year. Children lined the street to the church, little boys on one side and girls on the other, testifying to the love that they had for our deceased friend.

Honourable senators will remember how partial he was to beautiful flowers, and we are reminded of this fact, and indeed of his love for beautiful things in general, when we look upon the wreaths now lying on his desk. His love of the beautiful in nature was illustrated by the choice of the place where he had built a summer home, at Brome Lake, in a setting of such rural loveliness as perhaps could not be excelled anywhere. The surroundings were peaceful, and on the occasion of his funeral yesterday I heard several persons refer to the fact that his greatest delight was to have his friends come to see him, and to roam through those woods and around that lake in quiet conversation among the scenes that he loved so well.

That he loved children is manifest from numerous incidents and anecdotes that might be related of his life. I remember hearing recently of an incident that showed his kindness to the boys in his office. One day, seeing a messenger boy in tears, he inquired the reason, and, learning that the boy had lost what to him was a beautiful and useful dog—in reality it was nothing but a very ordinary mongrel, but it was highly prized by the boy—he had a search made for it, and when it was found paid for its licence for five years, and restored it to the boy. That is but one of many little touches indicating the spirit of kindliness that was uppermost in the man's life.

One might multiply such references to the kindly deeds of Senator Foster during his lifetime, but nothing could be more eloquent, as to the esteem in which he was held, than the evidence of devotion and affection given by the people who assembled yesterday to do honour to his memory. To what our leader on this side has said, I desire to add my tribute to the sterling worth and noble character of a loyal and devoted citizen. I am sure that our sympathies go out to his wife, his son and his daughter, in their grief.

Hon. RAOUL DANDURAND: Honourable members of the Senate, my honourable friends who have preceded me have stated truly the many noble qualities of our late lamented friend. They saw him in action mostly in this Chamber and at the capital, and during the latter part of his life. Those of us who

began life at about the same time that he did, who were called to the Bar about the same year that he was, and who had occasion to observe him in his various activities from year to year, recognized, long before he came to the Senate, that there was not a weak spot to detract from his very rich nature. He was kindness itself, and was always ready to put himself out in order to please. He had no enemy. All the members of the bar were his friends. In any matter of court procedure they did not require his signature; his word was sufficient. I have observed him from many angles and have always admired his very high standing.

He was a devoted son. There was not a day when he was away from his dear old mother that he did not write to her. Every day that he was here a letter left Ottawa addressed to her. He was the kindest of fathers and the best of husbands, and as a public citizen he was always desirous to help and to serve. There was not a spark of intolerance in his mind. To him all Canadians were of one family. I realize to-day that no man in the Eastern Townships was more esteemed and more beloved than George Green Foster, and the same is true of the metropolis of Canada, where his friends were legion.

Speaking for honourable members on this side of the House, I join with my honourable friends opposite in extending our sympathies to his dear wife, his dear old mother, and his children.

Hon. J. P. B. CASGRAIN: Honourable members, for me this is a personal bereavement. I pray that I may be given the strength to control my emotion. I entirely concur in the fine sentiments so well expressed by the leader of the Government and the Minister of Labour, and in the eloquent speech of the leader on this side of the House. We all feel that we are like one great family that has lost a very dear member.

For more than a quarter of a century Senator Foster's family and mine have been two of six which have lived on a private parcel of land within the city of Montreal, but over which the city has no control. In that diminutive community Senator Foster shared our joys and sorrows. He was the one we all went to with our cares and troubles, and we always received the kindest of hearing and the best of advice. Thanks to his lovable disposition and his great tact, there was never one discordant word amongst us in all these years.

He loved his home, but the place nearest to his heart was dear old Knowlton, where he was born. With the first money he made out of law he bought a farm for himself, although his father, Judge Foster, had then a very extensive estate in the village. The old farmhouse, after nearly fifty years, is still standing intact as part of "Blarney Castle." There was the home where Senator Foster really liked to live. Only those who were fortunate enough to enjoy his hospitality know how kind and considerate a host can be. This country-seat, considered the finest in the Eastern Townships, had a frontage of two-thirds of a mile on Brome Lake, the precipitous shores of which were covered with the most beautiful maple grove. The late Sydney Fisher, his neighbour, for fifteen years Minister of Agriculture, always said that there were no maple trees anywhere like George Foster's trees, which he had lovingly nursed for half a century. His farm was an inspiration not only to his immediate environs, but throughout the Eastern Townships that he loved so well. His wonderful herds of prize cattle and his flocks of sheep were renowned beyond the boundaries of the Province of Quebec. The soil represented his fatherland, and he knew that by improving the one he was serving the other.

In Montreal, when the news of his sudden death spread consternation among his hosts of friends, one heard on all sides, from people of all classes, that they had lost their best friend. Lord Atholstan said in the Mount Royal Club one evening that if he thought he could render a service to George Foster and had to walk from Montreal to Chicago to do it, he would start that night. They were the closest of friends, working together for the Home for Crippled Children, and helped to make that home the grand institution that it is to this day.

There are two facts that I wish to place on record in Hansard of the Senate. When Senator Foster was unanimously selected as Chairman of the Banking Committee he was a Director of the Canadian Bank of Commerce, a powerful institution. A directorship carries with it substantial emoluments; still his exquisite sensitiveness prompted him to make a pecuniary sacrifice by resigning the directorship, so that even a suspicion of partiality could not be attributed to him in his rulings as Chairman. On another occasion, when the Government decided to take a share in the Canadian Northern Railway, Senator Foster was Director of the Canada Car and Foundry Company. He resigned also this directorship, because he thought that this company would of necessity have dealings with the administration. Such was his high regard for the in-

dependence of Parliament. In another place, when a certain man accepted the highest gift that his political party could confer upon him, he gave up every board. He also should be commended for this disinterested move. It is refreshing to consider such actions, and they should be enshrined in the political annals of this Senate.

We witnessed yesterday a scene that we shall never forget. Senator Foster's dear old mother, 96 years of age, was present at the sacred service in the Anglican Church, and afterwards followed him to his grave. She stood there as his remains were being lowered into that Knowlton earth he loved so well. I was close to her. She spoke in an audible voice. "They have taken my son from me. Lay him down gently. My dear boy." The local clergyman said: "Be brave, Mrs. Foster. To-night I shall come to you and we shall speak of him. Come now." It is given to few men to witness such a scene.

We Christians have a very soothing and consoling belief. Our common faith teaches us that death is but a separation for a number—very limited—of years, months, weeks, perhaps days, of which God alone knows the count, and that if we love our neighbour as ourselves, and do unto others as we would have them do unto us, we shall some day be united on the barque of St. Peter, spreading its broad, white canvas to the soft and sacred breezes of hope, and wafted across the immense ocean of divine mercy to the beautiful and enchanting shores of eternal felicity.

Hon. SMEATON WHITE: Honourable members, to what has been so well and so eloquently said may I add a personal tribute to my desk-mate, the late Senator Foster. He and I entered this Chamber on the same day, and were desk-mates for nearly fourteen years. I consider it a tribute to him that during all that time we could remain together without any unkindly words.

My personal acquaintance with him and my knowledge of his family relations extend back over forty years, and I know, perhaps as well as any other member in this Chamber, how highly he was respected, not only at Knowlton and throughout the Eastern Townships, which he called his home, but also in Montreal. As the leader opposite (Hon. Mr. Dandurand) has said, Senator Foster occupied a very distinguished position at the Montreal Bar. Apart from that, in a social way, he held many positions that bespeak more eloquently than any words of mine his noble qualities. He was always shy of having his actions lauded or his praises sung, and I do not feel that I can say anything more than that for many years he was a true friend.

Hon. RUFUS POPE: Honourable members of the Senate, there is nothing that I can add to the very kindly remarks that have been made by the honourable gentlemen who have preceded me with reference to my personal friend, George G. Foster. Coming, as I do, from the Eastern Townships, where his family resided for three or four generations, I feel almost as though I had lost a close relative. The kindness of the man could not be surpassed, and his generosity to all who knew him and came under his influence was ever present. As the honourable member from Inkerman (Hon. Mr. Smeaton White) has said, the late senator did not want to be praised for anything that he had done. He preferred that his generosity should remain unknown.

It is a very great satisfaction to me to know that his departure was without pain, without anguish, without struggle. He had visited his legal office a day or two previous to his death, and had said that he would return; he had secured accommodation to come to Ottawa to be with us to-day; and on the evening before his death he had his family around him—his wife, his son, his son's wife, his daughter and her husband, and three or four close friends. After spending an enjoyable evening he retired. In the morning he rose and came down stairs, and after breakfast he said to his wife: "I have had a splendid breakfast; I never enjoyed one better before." To her inquiry, "You are feeling well, George?" he replied, "I have not felt better for years." She then said: "Well, I am going down the street, if you have no objection," and, as he had none, she went out. When she returned he had departed this life. I do not know that we could ask for any greater blessing, perhaps, than was bestowed upon him after two or three years of illness—to leave this life without anguish and without pain.

Right Hon. Sir GEORGE E. FOSTER: Honourable members, I desire to associate myself most earnestly with all that has been said of our departed friend. I have not the least doubt that all my co-members feel as I do. Is it too much to ask that we members of the Senate should rise for a moment or two and in this way pay a silent tribute to the memory of our departed friend, who was a devoted public man and a loyal citizen of Canada and of the Empire?

The honourable members rose and paid silent tribute to the memory of the late Senator Foster.

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

THE SENATE

Wednesday, May 6, 1931.

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

Prayers and routine proceedings.

PRIVATE BILLS

FIRST READINGS

Bill C, an Act to incorporate Acme Assurance Company.—Hon. Mr. Horsey.

Bill D, an Act respecting the Algoma Central and Hudson Bay Railway Company. —Right Hon. Mr. Graham.

Bill F, an Act respecting the Canadian Woodmen of the World.—Hon. Mr. Gordon.

HOSPITAL SWEEPSTAKES BILL

FIRST READING

Bill E, an Act with respect to Hospital Sweepstakes.—Hon. Mr. Barnard.

REDUCTION OF WORLD ARMAMENTS

DISCUSSION AND MOTION FOR RETURN

Right Hon. Sir GEORGE E. FOSTER called attention to the present status of the question of the reduction and limitation of world armaments, and moved:

That the Government lay on the Table of the Senate:—

1. A copy of the Draft Convention prepared by "The Preparatory Commission for the Disarmament Conference" of the League of Nations Society.
2. A copy of the final report of "the Committee on Budgetary Questions" appointed by the above named Preparatory Commission in connection with the above named Draft Convention.
3. A copy of the resolution of the Imperial Conference, 1930, with reference to the reduction and limitation of armaments.
4. Copies of any correspondence had by the Government or the Department of External Affairs with the British Government or the Secretary of the League of Nations Society since October, 1930, in reference thereto.

He said: The duty that presents itself to my mind at the present time is to call the attention of honourable members to the successive steps that have been taken by the League of Nations and other bodies in respect to the limitation and reduction of world armament. It is a little difficult for me to decide how to approach the subject so as not to take up too much time and still give a fair and consecutive review of the progress that has been made since the establishment of the League and has culminated in one of the most momentous announcements concerning the development of national life in all time.

In 1919, at the close of the most destructive war in the history of mankind, the Peace Conference at Paris became responsible for the organization which we now know as the League of Nations Society. There has been much criticism of the alleged delay and failure of this organization, one of the main objects of which was to bring about a reduction of warlike armaments of all kinds, as a necessary preliminary to the gradual elimination and ultimate abolition of war as a means of settling international disputes.

The basis upon which after-action was taken, and is still going on, for the achievement of this objective, is laid down in the Covenant:

> The Members of the League recognize that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations.

So reads Article 8 of the Covenant.

> In order to render possible the initiation of a general limitation of the armaments of all nations.

So reads the preamble which formed a part of each of the peace treaties as they followed one another.

> In order to diminish the economic difficulties of Europe, armies should everywhere be reduced to a peace footing, armaments limited to the lowest possible figure, and the League invited to examine proposals without delay to that end.

So reads the instruction of the Supreme Council which was issued early in the year 1920.

> The reduction of military burdens is a necessary condition for financial recovery.

This is the resolution of the Brussels Financial Convention in the year 1920, in which thirty-eight nations were represented.

> A permanent Commission shall be constituted to advise the Council on the execution of the provisions of Articles 1 and 8 and on all military, naval and air questions generally.

So reads the Ninth Article of the Covenant of the League of Nations.

Upon this basis all action looking to the limitation and reduction of armaments, since the constitution of the League, has been founded, and I suppose almost as much criticism has been directed against the League of Nations for delay and lack of success in achieving the objective, as along any other line.

> Little drops of water, little grains of sand,
> Make the mighty ocean and the bounteous land.

I suppose that is one of the earliest couplets that children learn in millions of our homes and schools.

> Line upon line, precept upon precept; here a little and there a little—

—comes to us from the lines of the copy-book of our earliest school days. All the developments of life, multitudinous and varied as they are, teach the same lesson, that time and regular courses and patience are necessary and fundamental. The man in a hurry looks at the seed that his gardener commits to the soil. An hour afterwards he says to the gardener, "But I do not see any result." Nor can he. Little by little, day by day, phase by phase, through Nature's chemical and atmospheric laws, the seed germinates, grows, buds, blossoms, and at last bears the perfect fruit. Yet there are people who with regard to great organizations undertaken by individuals, corporations, nationalities or international forces, desire to see immediate results from the initial efforts. I hope we have none of that class of mind in this Chamber. Criticisms with reference to delay and lack of early fulfilment in this particular line of effort of the League of Nations must be governed by the same rules and conditions that prevail in all phases of life and development in the great world in which we live.

Let us look, then, at the steps that have been taken. The League of Nations came into existence in January, 1920. The first seed, so to speak, the first organism, or part of an organism, was the Council of the League of Nations, which was formed shortly after the League began. This Council took immediate action and on the 17th of May, 1920, appointed the "Permanent Advisory Commission" on military, naval and air questions, in accordance with the instructions of Article 9 of the Covenant, that Commission consisting of nine representative experts in land, naval and air warfare, chosen from nine of the principal nations of the League. Its membership was afterwards extended to fourteen, selected from the principal nations of the League.

The next step was taken at the first meeting of the Assembly at Geneva, in November of that year, which authorized the formation of "the Temporary Mixed Commission," which was set up by the Council in February, 1921. The duties of this commission were to make inquiry into the military and naval equipment of the different nations belonging to the League, and after such inquiry to prepare for the consideration of future assemblies plans and proposals for bringing about the successful accomplishment of the great objective.

Many difficulties not apparent before then made their appearance. There were the racial and war hatreds that had been deep-rooted prior to the war and had been sharpened and accentuated during the years of conflict. Those hatreds and prejudices had to be softened, and if possible eliminated, in order that there might be created an atmosphere favourable to co-operation in considering the questions involved. Other difficulties resulted from the creation of new nations, with new economic and national ambitions, and from the ambitions of the nations already established for added prestige and extended territory.

Then there came quickly to the fore the question of security. Various nations said, in effect: "You ask us to reduce and limit the war equipment that we at present have. What guarantee can you give us that if we lessen our present means of defence we shall retain our existing status and security?" Consider, for instance, the case of Poland, facing the great Russian nation, an hereditary enemy of long standing. Poland naturally asked: "How can you demand that we limit our present military establishment unless you assure us that in case we are attacked by Russia or any other enemy we shall be protected in our rights?" So the question of security had to be given very serious thought. Then came the question of the modus operandi. How was this reduction of armaments to be carried out so that each nation should be treated fairly and permitted to have the equipment that was absolutely necessary for safety? Problems of this type made it clear to the League in 1920 and 1921 that the difficulties in the way of bringing about reduction of armament were so great that their solution could be reached only after many years of careful study and unremitting effort.

We know how difficult it is to administer government in a single self-contained country, such as Canada, where there is at times a conflict of sectional interests. How much more difficult must it be to draft regulations that will be acceptable to forty or fifty different nations, of varying races, traditions and cultures, with sharply defined national prejudices and diverse geographic and economic conditions. When we think of the vastness and complexity of the problem, it seems to me we are bound to be reasonable in any criticism that we may make of the accomplishments of the League.

With these necessary preliminary steps for examination and report was coupled a resolution asking the different member nations, some forty-two in number, to make sure that their war budgets of 1920 should not be exceeded in the following two years, while the whole question of the reduction of armaments was being considered. On the whole the various nations gave effect to the request in that resolution.

At the second Assembly of the League of Nations the reports and proposals of the two commissions were presented and became the subject of interesting and vital discussion. There was the scheme of Lord Esher, which, at the second meeting of the League of Nations, came up for examination. The proposition was to settle the question upon the basis of units of effective soldiers in peace time, those units or portions of units being distributed equally according to the needs of the different nations that formed the League. There was another proposition, wider and quite different, which was fathered by Lord Cecil and by Colonel Requin of the French Delegation. It took into account the necessity for security, something that was demanded by every nation that felt that its existence depended to a certain extent upon the disposition of its neighbours. It was proposed that assistance should be given to any nationality which was attacked, or threatened with attack, and that such assistance was to be guaranteed to it, under the French plan, by neighbouring countries mutually agreeing that if an aggressor attacked a neighbour country they would come to its help and thereby guarantee its security. Of course that assistance should not be available unless the nationality demanding help should have assented to a reduction and limitation of its armaments.

Hon. Mr. CASGRAIN: Would the right honourable gentleman allow just one question? When he says "assistance" what kind of assistance does he mean?

Right Hon. Sir GEORGE E. FOSTER: Assistance which would effectuate the purpose in view. It went so far as to mean not only financial assistance, but, if necessary, assistance in the way of armaments and war material and military co-operation.

The proposition put forward by Lord Cecil, and strongly supported by the majority of the members of the League of Nations, followed that same line of mutual assistance, but the guarantee was to be given by all the members of the League of Nations. It was to be dependent, not upon an agreement between the affected nationality and what might be called the regional neighbours, but rather upon the force and power and strength, diplomatic, financial and military, of the whole League of Nations. Under that plan, if an aggressor threatened or commenced an attack upon one member of the League of Nations, every other member of the League of Nations would stand by the threatened nation and prevent the aggressor from accomplishing its purpose.

There was complete unity of principle in that, but the implications arising from the application of that principle were very different. To make a long story short, let me say that after very long and serious discussion of these plans the Advisory Commission and the Mixed Temporary Commission were of the opinion that Lord Esher's scheme was impracticable and impossible of fulfilment, that it did not take in all the existing factors, and that the principle of mutual assistance was the one upon which the League should proceed. An attempt was made—and it succeeded in the end—to bring these two parties to an agreement on the same principle, but with two methods of application. The result was that the "Draft Treaty of Mutual Assistance," on the report of the Temporary Mixed Commission, was approved by the Assembly of 1923 and submitted to the nation members of the League for their consideration. That was the first tangible and seemingly practical application of a considered means to the desired end.

These conventions and agreements may be passed by the League of Nations at the annual assembly, but they have force only as they are accepted by the nations that belong to the League. Twenty-nine governments responded to the appeal. Eighteen of them were in favour of the Draft Treaty of Mutual Assistance. Others, including the Government of Great Britain, objected to it on various grounds. Although not belonging to the League, the United States and Russia, which had representatives on that commission, both gave as their opinion that the proposal was not satisfactory.

Therefore, in 1924, when the Fifth Assembly of the League of Nations met in Geneva, it was faced with the practical failure of acceptance of the first draft convention. The year 1924 was an important one. M. Hériot was the Prime Minister of France, his party or group of parties having lately succeeded to the government. In that same year the Right Hon. Ramsay MacDonald was the leader in Great Britain of a new government which had come in on the basis of labour support. Both those gentlemen were present at that meeting of the League, and were strong and active supporters of the principle embodied in the League of Nations Society.

As a result of the discussions which took place in that year the Assembly said: "Well, we have had the reports from our committee; we have the culmination of those reports in the draft convention which has been rejected by the nations belonging to the League; so let us go to work and agree upon a measure here and now." So the first and

third committees—two of the six grand committees of the Assembly—undertook the drafting of a proposal that should be in advance of and superior to the Draft Treaty of Mutual Assistance for presentation to the nations belonging to the League. These committees, composed of some forty-five or fifty members, with one representative of every nation in each committee, assisted by a special committee of twelve experts chosen by the League, set to work, and after serious consideration in the Assembly itself and in the committees came to certain conclusions. The first of these was that security was an absolute essential and precedent to disarmament, and that it was futile to ask nations that might be the subject of attack to limit or reduce their armaments unless continued security was assured to them. Security thus became tied up with disarmament, and you had the two words of the motto, "Security and disarmament." "Give us security," they said; "disarmament may follow."

But a third consideration now came to the front, and that was the principle of arbitration. The difficult question of how to determine the aggressor was raised. In the case of a threatened war or an actual attack, who was to say which was the aggressor nation, and consequently which nation was to suffer the penalty of any united action for the protection of the threatened nation?

In the discussion that followed Mr. Ramsay MacDonald and M. Hériot came to an agreement that another principle should be added, so to speak, and that the motto for disarmament and the limitation of armament should be: "Arbitration, security and disarmament."

Hon. Mr. DANDURAND: Compulsory arbitration.

Right Hon. Sir GEORGE E. FOSTER: And that in order to make possible the success of the whole movement a campaign must be organized in favour of arbitration and conciliation as a preliminary. So there came to the front a third element, which ever since has been one of the dominant elements entering into whatever progress has been made. The result, in short, was that the first and third committees, along with the twelve members that had been added, came to a unanimous conclusion and drew up what is known as the "Protocol for the Pacific Settlement of International Disputes." The Draft Treaty for Mutual Assistance started out with a denunciation of aggressive warfare as a national crime. The protocol took the same high ground; it also stood for compulsory arbitration, and bound the members of the League to get the different nations to agree together, regionally or more generally, to arbitration treaties and agreements, thus paving the way for the security which would follow, and the resultant disarmament or limitation of armaments. That protocol marked high water in principle and in theory.

Hon. Mr. CASGRAIN: It was still-born.

Hon. Mr. DANDURAND: It was revived at Locarno.

Right Hon. Sir GEORGE E. FOSTER: It provided for the outlawry of war; it provided for compulsory arbitration, backed by sanctions, of all disputes not settled by mutual agreement, by the Council or the Permanent Court of International Justice; it provided for the definite determination or the definition of the aggressor—a very important point—and for the application of the economic, financial and military sanctions authorized by the Covenant. The decision as to who was to be the aggressor, and as to how he was to be defined, resolved itself into this: the power which refused to arbitrate before it attacked was plainly the aggressor and was to be so defined. The great point in the protocol was in relation to the sanctions or penalties. They are called sanctions in these treaties; in reality they are penalties for the violation of the obligation of the members of the League.

The protocol was unanimously agreed upon by the Fifth Assembly in 1924. What happened? The Labour Government in Great Britain suffered a mishap and went out of office and was succeeded by a Conservative Government; so, when the Council met in December of that year and undertook the examination and application of the protocol, they were met by a demand from the British Government for a delay to enable it to examine the question thoroughly for itself and in connection with the various dominions of the Commonwealth. That demand could not well be refused, and was not refused. At the next meeting of the Council the British Government presented its objections to the protocol, and these objections were fatal to its acceptance and immediate practical application. What were the two prevailing reasons? The imposition of the penalties for infraction of the terms of the protocol involved a resort to blockade. Great Britain was the principal naval power, and in any attempt to make a blockade effective the British fleet would be eventually—

Hon. Mr. CASGRAIN:—in the fight.

Right Hon. Sir GEORGE E. FOSTER:—the main force responsible for the successful

accomplishment of the blockade. But there were some nations that did not belong to the League, and included in those nations was the great republic to the south of us, possessing vast commercial interests and a powerful fleet to safeguard them. Great Britain felt that it would be too great a risk for her to become ultimately responsible for the sanctions and in this way probably run foul of the interests of the United States of America. Had the United States been at that time a member of the League and in the same general frame of mind as the other members, that question would not have arisen, because Great Britain and the United States would have had a common policy. Anyone who has carefully read the diplomatic correspondence between Great Britain and the United States during the war knows how very close the two nations were to coming to blows. Those who have read Mr. Page's book will remember his reference to an incident that occurred when Anglo-American relations were so strained that there was a question whether armed conflict would not be declared between Great Britain and the United States if the British Navy seized another vessel, which was endeavouring to carry certain commodities from America to enemies of the Allies. At that time Mr. Page said to Sir Edward Grey: "Do not attach another vessel, but let the French do it; then observe what will be the effect upon the United States." The French took a vessel and the United States said nothing. The bond sealed by Lafayette was still in force. Of course, the United States, when it came into the war, was very active in making the blockade effective.

Great Britain made a proposal to this effect: "Let us have regional agreements, if possible, and let us call a world armament convention to be attended by representatives of every nation, whether a member of the League or not. If an agreement could be reached at such a convention it would be easily made effective."

Well, the protocol was disposed of, and as a sort of reaction there followed the regional arbitration and safety agreement provided for in the Locarno Pact. The agreement for mutual assistance on the part of Great Britain and Italy resulted in a settlement of the then impending uncertainty upon the western border, and the application of the same principle in other agreements put an end, for the time being, to troubles on the eastern border as well. The Locarno Pact opened the way to a general series of arbitral agreements and treaties between various countries belonging to the League, and a strong endorsation was thus given to the principle of arbitration.

In 1926 Germany entered the League of Nations. This event was of great significance: it meant not only that practically all the enemy countries were now members of the League, but also that Germany, a very powerful nation, had been disarmed and consequently was, as it still is, emphatically in favour of the limitation and reduction of armaments in every other country.

Hon. Mr. CASGRAIN: Because Germany is not allowed to have an army itself.

Right Hon. Sir GEORGE E. FOSTER: In 1926, 1927 and 1928 the whole question of armament reduction was discussed from many and varied angles. The eighth Assembly authorized a Committee on Arbitration and Security, which prepared a series of model conventions and treaties. These were approved of by the League and were combined into what is known as "the General Act for the pacific settlement of all disputes." We shall have that General Act before us for our approval. Already it has been ratified by all the other British dominions, as well as by Great Britain and France, and, I think, by some seven or eight other nations. In fact, it is felt that it will be adhered to by all the important League members.

Another great forward step was made in 1925, when the League Assembly authorized the formation of "the Preparatory Commission" for the preparation of a draft treaty to be submitted to a world disarmament convention. Members of that Commission have been experts in political, social, economic, financial, military and naval matters. The point was taken by the Assembly, at the time the Commission was authorized, that no treaty for the limitation and reduction of armaments merely by the members of the League could be thoroughly effective so long as any very powerful nations remained outside the League. It was recognized that as long as the United States and Russia are not members it is problematical whether perfectly satisfactory final disposition can be made of the question of armament reduction. Therefore the object of the League is to get a draft treaty prepared by representatives of all the nations, whether League members or not, and then have the convention of all nations. The Preparatory Commission continued at work and in the month of December, 1930, it submitted its completed draft treaty. The 2nd day of February, 1932, has been set as the date for the opening of the world disarmament convention. The agreement on this draft treaty by the representatives of the fifty-four nations in the League, plus the United States and Russia, is a unique

event in world history; I am sure that the story of mankind reveals no other such development. From now until the convention meets the draft treaty will be considered by all the nations whose representatives took part in its preparation. The success of the efforts of the League towards armament reduction in the last eleven years will depend to a very large extent upon what happens at that world convention. Therefore it becomes our duty to arouse interest in the great event and stimulate public opinion everywhere to support favourable action on the part of the government of every country. As we look upon it, there are many things that tend to a successful culmination of the long years of effort. I do not say that the work of that convention will be final. Rather do I think that the action taken in February, 1932, will be a decided advance upon the present, to be followed by other succeeding progressive action until the full objectives are finally achieved. But so much progress has been made that I do not think any fair-minded man can criticize the League of Nations on the ground of undue delay in the prosecution of the great object for which it was instituted, namely, to bring all nations of the world into common agreement to settle their disputes by recourse to methods of peace and justice.

The work of the League has been greatly aided by a number of subsidiary events. For example, there was the Naval Conference at Washington in 1921-22, attended by representatives of several European nations, the United States, Japan and China. At that time there was initiated a program for limitation of naval armaments in the construction of large vessels, but for the time being smaller units of naval warfare were necessarily ignored. That again was succeeded by the Coolidge convocation of naval powers at Geneva in 1927, which proved abortive in the immediate practical result, but was useful in arriving at a better understanding of the conditions of the various countries and the possibilities of future agreements. We had the culmination of these efforts in London in January, 1930, when France, Italy, Great Britain, the United States and Japan met in conference and came to certain agreements which practically, not only actually reduced existing naval armaments, but set a limit of construction and put a stop to any competition in naval construction which threatened the world. Just a few particulars with reference to that remain to be settled among France, Italy and Great Britain at the present time, and I have not the least doubt of a successful conclusion to their efforts.

I thank you very much for the kind attention that you have given me. It is always difficult in so extensive a subject to hit upon just the line to take and the amount of information to give. I conceived that it would be very useful at this time to have as nearly as possible a consecutive idea of the various steps that have been taken, the success that has attended them, and the mighty and fateful decisions which will be made when the unique and hitherto unequalled situation develops of having representatives of all the nations of the world meeting together in the atmosphere of peace and goodwill to remove from the world the menace of war and the burden of the cost of military armaments, which to-day are weighing down the nations of the world. Do not let us think that we in Canada have no interest in the matter. If we have economic and financial difficulties to-day—and we have—after all our search for the subsidiary causes, we must recognize that the fact that the Great War of 1914-18 sapped the resources of the world is the root cause of all our difficulties. Do we find it hard to sell our commodities? Yes, because the world was impoverished by the war and has not the means to buy. Have we immense burdens of taxation? Think of the $50,000,000 imposed upon us in taking care of the human casualties of the war. Think of the huge national debt incurred in the operations of the war. Is that no burden? As has been so often asserted, and so infrequently contradicted, if we had had a League of Nations in 1914, we should have had no such destructive war. The future binds most closely together the interests of nations. It is impossible ever to revert to the conditions of years ago, when a war might take place between two nations or half a dozen nations and the rest of the world be comparatively free from its influences. Now a great war will involve the interests of the whole world and the existence of civilization. Here is an opportunity. If the nations will, they can agree to put a stop to increasing armaments which threaten war, and they can give sustaining power and virility to the peace sentiment of the world. Canada has taken an honourable part in the work of the last eleven years, and we are deeply interested in the final and successful solution of this question. Let us pray that the nations of the world may have wisdom to make a proper choice and come to a proper agreement and rid humanity of the burden and the cruel barbarity of settling disputes by the mutilation and destruction of our fellow men, and the costly waste of the accumulated resources of individual and national wealth.

Hon. J. P. B. CASGRAIN: Honourable members, it is always a great pleasure to listen to our venerable member, the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster), who, in spite of advanced years, has the vigour and the ideals of youth. The belief that there shall be no more war on earth is a beautiful ideal. I wish I could be like the right honourable gentleman. It is wonderful that people can be saturated with such ideas, because according to the Good Book, when there were only two men on earth, Cain and Abel, they managed to make war, and one of them was killed. And as we go on down the ages what do we see? War after war.

As to compulsory arbitration, how can you have it unless there is someone with guns and bayonets and a navy to enforce it? These ideas are all very well. My leader (Hon. Mr. Dandurand) encourages them. I should like to be able to believe in them myself, but after all, it is against common sense. Lloyd George has said repeatedly that we are spending more money on armaments now than before the League was thought of.

The idea of a league of nations has not even the merit of being new. The Chinese had a league of nations thousands of years before Christ. We had the Holy Alliance, and l'Union des Princes Chrétiens. Nothing has ever come of all the talk of peace except war. Bring people together to talk of peace and you will generate war. If people are brought together, especially women, a row starts right there and then, I am sorry to say.

The League had everything nicely arranged: it was going to enforce peace through sanctions. But there was no sheriff. What is a court without a sheriff? What can a judge do without a sheriff? He might as well sing while he is on the bench, unless he has a sheriff to execute his warrants. And if the sheriff is resisted he must get the police. Why do we spend so much money on police? If municipal police are necessary, so are international police, and the big navies and armies are the international police.

All the nations, especially Germany, say: "We are quite willing to give up our armies." It reminds one of the fox that lost his tail in a trap and then wanted all the other foxes to get rid of their tails. They said: "Turn around until we have a look at you," and they laughed at him, and decided to keep their tails. Germany is not allowed to have an army, but just as soon as she is allowed she will have a big one, and there will be a chemical and aerial war.

If nations do not want to arbitrate, how are you going to compel them to do so? When it was proposed to use force, what force was there? There was the British Navy, if you please, paid for by the British people, or the people of the Empire. Why should they pay for a navy to make some people at the end of the earth do this or do that? Austen Chamberlain said: "There comes a time when an Empire must say no." And he said no, and that was the end of that proposal.

My right honourable friend spoke with great eloquence about the protocol, but he did not tell you that it was still-born. There was also the Kellogg plan, and Mr. Kellogg and Mr. Aristide Briand went around asking everybody if he would like to sign. Everybody signed. Nobody wants war. Nevertheless, war comes, and it will continue to come in spite of all the talk.

It is not my intention to make a speech on this subject. I may have occasion to do so before the session is over. When I hear of the League of Nations I always think of what the Right Hon. Charles Doherty once told me about l'Abbé Saint-Pierre, who had invented a league of nations in the time of Henry IV of France. L'Abbé Saint-Pierre brought the volumes containing his proposals to some cardinal who was acting as a prime minister, and he said: "I am bringing you my project for universal peace." I may say to honourable gentlemen that this work is in the Parliamentary Library, in some sixteen volumes, and they are so well bound that they are in good condition. Perhaps they have not been used very much. As I was saying, the author went to His Eminence and left his work with him, and later he went back to him and said: "What do you think of my project?" The cardinal replied: "It is perfect; I could not add a word to it, or take a word from it, but it is made for angels, not for human beings." That was the end of l'Abbé Saint-Pierre's sixteen volumes. The last volume, which was published twenty years after the first one, contains a résumé that I would commend to the right honourable the junior member for Ottawa. He knows French well enough to be able to read it, and I hope that after he has read it he will still have his illusions and will still believe that no more soldiers are needed and that France will not build any more ships. L'Union des Princes Chrétiens was even better than the Abbé's project, because, in addition to other things, it was designed to keep the royal families on the thrones of Austria and France. If the people of one country rebelled against the king, the other country would interfere on his behalf, come in and say "No."

Honourable gentlemen may not have read about the Dupleix, which France has built. It has the German boats beaten to a stand-

still. It steams forty miles an hour, and carries the most powerful guns. Why was it built? To go to Geneva? No; it could not get into the lake there. It was built for real war. Are the people who are spending money on it insane?

I notice my honourable friend from Grandville (Hon. Mr. Chapais) sitting opposite me. I hope we shall hear from him. I am not going to read his pedigree again. I did that when he came into the House, and it took an hour to do it. He is a historian, and he can tell you about l'Abbé Saint-Pierre. The honourable gentleman always keeps a straight face when he speaks to me on that subject, but I find it difficult to think that he believes in l'Abbé Saint-Pierre. He will tell you what Sir Robert Borden said: "Ten years ago you were talking of disarmament; you are still talking of it." I agree with Sir Robert that no progress has been made.

Why should this meeting that we have heard about wait until 1932? There is no better time than the present. When it does take place the result will be the same as always: the delegates will adjourn again. I am sorry for the poor people living at Geneva. Hundreds of them are shaking in their shoes every time there is an Assembly. They heave a sigh of relief when it adjourns, for, they say, "We shall draw our pay now for another twelve months." They are always afraid that the League will break up. Now there is some talk about making these people permanent so that if the League does break up they will get a pension.

I have not added up the figures given to me in regard to the amount of money that we spend on the League of Nations, but I should like any honourable gentleman in this House to show me that we get one dollar's worth for all the money that we spend on the League.

Hon. RAOUL DANDURAND: Honourable members, apparently my honourable friend thinks that he is right, even though the world is against him.

Right Hon. Sir GEORGE E. FOSTER: It is a comfortable idea.

Hon. Mr. DANDURAND: He forgets the saying of Mirabeau, that when everybody is wrong everybody is right. My honourable friend looks around the world and sees the governments of fifty-four nations all interested in the League of Nations, feeling that if there is one hope for the betterment of humanity it lies in the League of Nations. My honourable friend has no hope whatever that permanent world peace will be achieved. He thinks the League of Nations will be unable to prevent war in the future, and he bases his opinion upon the fact that for hundreds of years unsuccessful attempts have been made to establish peace through the medium of an international tribunal. But he forgets that in the past nations lived by themselves, that each country considered the interests of its reigning family to be paramount, that the common people were looked upon more or less as mere cannon fodder and were ordered to fight for reasons which they never understood. The great Louis XIV confessed in his last days that he had loved war too well. We are reminded by Voltaire that Le Roi Soleil would not cross the Rhine "parce que sa grandeur l'attachait au rivage." But he allowed his people to die for the satisfaction of his passion for war. Now conditions have changed and ordinary people, who have much more power than they formerly had in controlling the destinies of their own country, want to know for what cause they are asked to shed their blood. Furthermore, there has been developed a close relationship among all nations, and those who speak in the forum of the League of Nations can be heard all around the world. I say to my honourable friend that the League will live, because of awakened public opinion.

If my honourable friend were right in contending that there is no ground for believing that the time will come when human beings will no longer be sent out to kill one another, I would say, "All right; let us prepare for the worst." The honourable gentleman feels that the wars that are yet to come will be more terrible than any that have happened in the past, and that they will result in wholesale destruction; yet he would have us fold our arms and do nothing to prevent such catastrophes. I am glad to think that he is the only sponsor for such pessimism in this Chamber, and perhaps in the whole country.

Hon. Mr. CASGRAIN: Many think like me, but have not the courage to express their opinion.

Hon. Mr. DANDURAND: My honourable friend was informed yesterday, in reply to an inquiry, that Canada had spent altogether $2,280,000 on the League of Nations. How far would that go towards building a dreadnought? I think it is a very small sum to have spent upon the League.

My right honourable friend from Ottawa (Right Hon. Sir George E. Foster), in telling us of the work that the League has done, stressed its efforts for the reduction of armaments. Article 8 of the Covenant of the League says:

The Members of the League recognize that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by some common action of international obligations.

The words "consistent with national safety" are extremely important, because they give expression to the necessity for security. Germany, Austria and Hungary were forced by the Treaty of Peace to disarm. Germany was allowed to have an army of one hundred thousand men, and at the time the treaty was made it was declared that there would be a general reduction in armaments in all countries. Naturally Germany is now insisting that other nations shall reduce their military and naval powers so that she will not be kept in such a comparatively weak state. But who is to say just what force is needed to guarantee the safety of any nation? Apparently on this question each nation is its own judge.

In 1924 I had the honour of representing Canada at the League of Nations. Mr. Ramsay MacDonald came there with a speech to which he had given much thought, and before he spoke he informed the representatives of the Dominions what he intended to say. His theme was compulsory arbitration and disarmament. I took the liberty of telling him that the Assembly would not agree to his recommendation; that the nations of Europe would object to compulsory arbitration and disarmament without provision for what they regarded as ample security. My opinion was the result of the experience I had gained from contact with the representatives of European countries. Mr. MacDonald made his speech, in which he urged that there should be reduction of armaments after all nations had agreed to compulsory arbitration. But afterwards he had his eyes opened by the speeches of three or four of the most brilliant representatives of the Assembly. I remember Mr. Politis, the representative of Greece, as clear a thinker as could be found in the Assembly, turned to Mr. MacDonald and said, in effect: "I shall submit for your consideration a hypothetical case. Suppose I were representing a country of ten millions of people engaged chiefly in agricultural pursuits. Adjacent is a highly industrialized country of fifty millions. You ask me to sign an agreement obligating my country to arbitrate in the event of a dispute with another. Then you advise my country to disarm, and after we have done so we wake up one morning to find ourselves invaded by an army of 200,000 men from across the frontier. Our people are agriculturalists; they are unprepared to resist such aggression. What would you do for my country then, Mr. MacDonald?" Similar arguments were made, in a variety of forms, by other representatives, and as we left the House at six o'clock Mr. MacDonald said to me, "I must accept the trio—compulsory arbitration, security and disarmament."

Now, the protocol was drafted on those lines, as my right honourable friend has pointed out, but there is one feature that he did not mention, namely, that in the event of an international dispute, if one nation refuses to arbitrate, it will be regarded as the aggressor. If troops should clash somewhere far away from Geneva, where it was difficult to ascertain what country was the aggressor, an armistice would be declared and the troops would be required to return to their respective frontiers. If one country refused to comply in this matter, it would be declared the aggressor. It seems to me that the document clearly provided for determining which country was the aggressor in any dispute.

As my right honourable friend has pointed out, the protocol affirmed the principle of one for all and all for one. There was great disappointment when the protocol was dispensed with. In the following year Mr. Austen Chamberlain suggested regional agreements, and the Locarno Pact was brought about and peace was established on the Rhine. Great Britain was accepted by France and Germany as an arbiter, and in the event of a war it would assist the country that had been assaulted. At the time an agreement was made at Locarno between the Central and the Eastern powers, but there was no arrangement for security or arbitration. France will support Poland in the maintenance of the treaty in the East. If there were an attack by one of the Central Powers, let us say Germany, upon Poland or Serbia, France would go to the defence of the attacked country, and then there would arise a question as to what effect, if any, the Locarno treaty would have.

In 1928 the Briand-Kellogg Pact was signed, providing for the renunciation of war by all countries. Although this document undoubtedly had a great moral influence throughout the world, there was nothing in it to guarantee national security. In 1929 Mr. Ramsay MacDonald did what Sir Austen Chamberlain, as a member of the Baldwin Government, refused to do; that is, he signed the Optional Clause, binding Great Britain to submit all justiciable questions to the International Court of Justice. In 1930 Mr. MacDonald went a step farther and signed the General Act, which obligated Great Britain to arbi-

trate other questions. As my right honourable friend stated, this was a long step forward, for the great nations in declaring themselves ready to submit all their differences to the International Court put themselves on a level with the smaller and weaker countries.

Mr. MacDonald presided at the London Conference on the Limitation of Naval Armament in 1930. At that time Great Britain and the United States agreed on what was practically naval parity, but Italy and France would make no such agreement, although Mr. Briand strove hard to have it arranged that Great Britain should be the arbiter between those two countries on the Mediterranean. Mr. Briand pleaded that Great Britain, on account of its influence at Gibraltar and Malta, should agree to act as arbiter, and he said that in such event France would be ready to reduce its naval armaments to a very considerable degree. Although perhaps Mr. MacDonald was personally disposed to accede to Mr. Briand's suggestion, unfortunately he did not believe that public opinion in Great Britain was ripe for the assumption of the responsibilities involved. Mr. Briand then asked the United States to agree to a consultation in the event of trouble arising in the Mediterranean. There was considerable opinion in the United States favourable to an agreement of that kind, but no official action was taken, and therefore no security was provided. As I have stated, Great Britain and the United States agreed to practical parity. They felt that they would be strong enough to protect themselves. So far their respective navies have been for the defence of their own countries and interests—that is to say, for their own security.

Last Monday the President of the United States, feeling perfectly safe in North America, offered the following advice to Europe:

> President Hoover, speaking at the opening of the sixth conference of the International Chamber of Commerce, to-day told 1,000 leaders of business in 35 nations that the present world economic depression was comparable in its depth and extent only to those which have followed about the same distance after the former great wars of modern history.
>
> The President suggested as a means of reducing the tax burden of the world limitation of armament. He pointed out the world expenditure on arms is now nearly $5,000,000,000 yearly, that there are 5,500,000 men under arms and 20,000,000 more in reserves, vast forces exceeding those of the pre-war period.
>
> The President said: "Reduction of this gigantic waste of competition in military establishments is, in the ultimate, of an importance transcendent over all other forms of economic effort."

How can that reduction be accomplished? My right honourable friend expresses the hope that in 1932, at the meeting for which diligent preparation is now being made by the various nations of Europe, we may attain a certain reduction in armaments generally. But I would put this question. If the land forces are to give those countries possessing them the same measure of safety that the United States demand on the sea, what is the reduction to amount to? Does it not occur to Mr. Hoover that, although strong navies for defence may satisfy "sacred egotism"—to use the expression of a former prime minister of Italy—they go no further. Those to whom the Almighty has given power should use it to help the weak. The two great navies, if dedicated to peace, can assure peace. It is not sufficient to say: "We are secure on the sea; let the land powers shift for themselves, or so reduce their armaments that they will no longer be a menace to one another." I suggest that that is bad policy, even in a material sense, because it may result in chaos, and then the United States may have to intervene as they did before. It seems to me less costly and more humane to endeavour to prevent such a condition.

The President of the United States says:

> Reduction of this gigantic waste of competition in military establishments is, in the ultimate, of an importance transcendent over all other forms of economic effort.

It is unnecessary for me to emphasize the high degree of economic interdependence of the nations of the world. The President of the United States has but to say the word—if the American democracy will allow him to do so—and this virus of which he has spoken will be for ever removed. He admits the necessity of co-operation. Will he not say the word that will assure the world of peace? A mighty responsibility rests upon the United States of America. One word from the lips of their President, approved by the Senate at Washington, would most certainly insure the success of the conference of 1932. All nations are now at work studying to ascertain the lowest level consistent with national safety at which they can place their armaments. One word from the powerful country to the south of us would enable those countries to fix their minimums 50 per cent lower than otherwise they would be disposed to do.

Before closing I desire to make a brief reference to the projected Austro-German Customs Union. Germany apparently has thought that this union with Austria would be advantageous from an industrial or commercial point of view. We know that Austria has a population of 6,600,000 people, engaged mainly in industrial pursuits. Austria having lost a number of its provinces which were agricultural in character, more than one-quarter of

its vast population is, I believe, in the city of Vienna. It needs markets for its industrial productions. The question has arisen in my mind, why Germany has not thought of looking towards Poland for such a union. Poland, with a population of twenty-seven millions, needs markets for its agricultural products, and, as Germany is highly industrialized, I can hardly imagine two countries better fitted to exchange their wares than Germany and Poland. Why has Germany felt it desirable to enlarge the markets of Austria and at the same time apparently forgotten Poland? It seems to me that the representatives who are shortly to meet in Geneva in connection with the Economic Union of Europe—an ideal suggested by Mr. Briand—might well consider the advisability of Germany offering to Poland, Hungary and Roumania, all agricultural countries, an alliance similar to that which she has offered to Austria. There would be in such an offer the beginning of the Economic Union of Europe that Mr. Briand, representing France, is seeking. I do not know to what extent France, Italy and other countries could adapt themselves to such a condition, but I see there the possibility of the Economic Union making some headway. Those countries to the east are in great need of markets for their agricultural products, while in Central Europe there is a highly developed area which, it seems to me, would benefit by drawing into this Customs Union such countries as I have mentioned, to which it could sell its wares. This would tend also to minimize the frontiers of Europe, which in every direction are an eyesore, and it would perhaps create a more neighbourly spirit and make for peace in Europe.

Hon. JOHN LEWIS: Honourable members, I fully realize the difficulties which lie before the League of Nations and similar movements, and I recognize that we cannot expect great results to be achieved within any very short time; perhaps not within the lifetime of most of us at all events. Nevertheless, I still like to hope that these efforts will succeed, because if there is no hope for the League of Nations, and for similar movements towards the abolition of war, there is no hope for the human race, and it might just as well adopt the maxim of one of the oldest pessimists: "Let us eat, drink, and be merry, for tomorrow we die."

It has been pointed out, I think by the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster), that the day of local wars is practically at an end. The world is so closely bound together by various means of communication that every future war must partake of the nature of the war of 1914-18, with increasing instruments of destruction and consequently a greater destruction of the human race. For my part, if that is to be the future of the human race, I think it would be much better that it should be annihilated in the next war. Then, at all events, we should have peace.

My particular purpose in rising is to mention something that is, perhaps, a little apart from the subject under discussion. It is to say that I think we owe a very great debt to those who bring such questions as this before us for discussion. There has been a great deal said recently, in the press and elsewhere, about the Senate having nothing to do. We all know how we were annoyed somewhat at being called here to meet for five minutes, only to adjourn because we had nothing to do, and at having to wait for the House of Commons to send us certain legislation that it was not ready to present. There is no reason in the world why we should wait for the House of Commons. Even if we cannot make some arrangement with that House whereby more legislation can be initiated in this Chamber, the whole world is before us. Never before was there a time when there were so many interesting topics of discussion. Why should we not discuss them here as they are discussed in the other House? In that House private members rather prize the privilege of being able to present matters that are not properly the subject of any government legislation. Only the other day a member advocated a plan for economic and scientific research, and made a very interesting speech on the subject. My honourable friend to my right (Hon. Mr. Hughes) has made a motion of a similar character, asking for an inquiry into the causes of the economic depression. All those questions are before us, and surely we have in this House ability enough to discuss them.

It is sometimes objected that such discussions are of little importance, because, it is said, they are academic; but after all, if you change the word "academic" to "educative," instead of something useless you have something very useful.

I have often thought that it is a wrong conception of this Chamber to consider it as a mere brake upon hasty legislation coming from the other side of Parliament. Take the familiar example of the automobile. The most humble, though, no doubt, a very necessary, function of the motorist is that of putting on the brakes. The skill is shown in regulating the speed and direction. Why could not we in this House have something to do with the direction and speed of public movements,

instead of being left to perform the humble function of occasionally putting on the brakes? As a matter of fact, the procedure, it seems to me, puts the cart before the horse. It is generally supposed that deliberation should precede action; but we find that the action takes place in the other House and that afterwards we are supposed to deliberate, and that we are able to give but very little time to that deliberation.

During a similar discussion in Great Britain there was one newspaper—I think it was the Westminster Gazette—that in speaking of the functions of the House of Lords said that it ought to be not the second Chamber, but the first Chamber; that is to say, that its business was to make inquiry into, and deliberate upon and discuss public matters, and in this way to lay the ground for legislation. That seems to me to be a very useful object and one to which this Chamber might very well address itself, thus removing from our consciences the uneasiness that we feel at spending so very little time in discussing public affairs.

Hon. W. B. WILLOUGHBY: Honourable members, I rise only to make an observation with regard to the remarks just made by the honourable member from Toronto (Hon. Mr. Lewis). It is perfectly true that some of the questions that would come before this House would be academic in the sense that they could not immediately be carried into legislative effect by anything that we could do. We have not the power of originating money bills, and much legislation involves the expenditure of public moneys. That limitation on the scope of our activities gives a more or less academic appearance to whatever we may do.

During the time that I have been in this House, it has on many occasions organized committees which have conducted valuable inquiries into important subjects referred to their attention. I hope that our intellectual curiosity or our desire to do something useful is not less to-day than it has been in the past. So far as I am concerned, I shall welcome any suggestion from any quarter of the House, or any individual member, for the appointment of a committee to deal with any subject of present or possible usefulness in the conduct of the public affairs of this country, always with the understanding that under present conditions there must be a limitation of the expenditure. The expenditure for the purpose of clerical assistance and reporting can, doubtless, always be arranged for.

I frequently have been disappointed to observe that some of our members, at all events, seemed more reluctant than I should have expected to participate in the discussions of the House. They seemed rather to anticipate the shortening of our daily, weekly, and other sessions. There are in this House many members who possess at least as much experience as any member of the other Chamber. It seems to me that we have here an accumulation of very valuable legislative experience which could be frequently used for the benefit not only of Parliament, but of Canada as a whole. Honourable members will find that I shall always be ready to arrange for and facilitate, as far as I can, discussions on public matters, whether they seem to be purely academic or of a character which can be dealt with best by action through committees.

Hon. CAIRINE M. WILSON: Honourable senators, in listening to the speeches that have been made on the League of Nations, I could not help being struck by the fact that many phases of the League's activities were not mentioned. Has the League not done much to prevent the spread of disease, to regulate the hours of labour and otherwise to improve working conditions, and, above all, to protect the lives of women and children in many lands? Is not a great deal of credit due to the League in connection with the rehabilitation of Austria and Hungary? I could mention many other splendid achievements by the League, had I prepared myself to speak on the matter.

Hon. RODOLPHE LEMIEUX: Honourable senators, although I had not intended to express an opinion on the merits of the subject that has been under discussion this afternoon, I feel that I am sufficiently well in touch with the trend of public opinion to be in a position to give my utmost support to the views so eloquently expressed by that venerable statesman, the right honourable the junior senator for Ottawa (Right Hon. Sir George E. Foster). I desire also to express concurrence in the remarks made by that veteran diplomat, the honourable member for De Lorimier (Hon. Mr. Dandurand). Someone has suggested that a discussion like this is purely academic. I beg to differ entirely from that view, for I feel that there is no more practical question before Canada and the world to-day than the establishment of permanent peace among all nations. How can it be said that in discussing the best means to ensure world peace for the future we are discussing an academic subject? Ten million young men, the flower of the world, were mowed down during the Great War. Of this number more than sixty thousand came from Canada. They sleep abroad, in regions where trenches were dug and fierce fighting took place. Should we be faithful to the motives

which impelled those young men to take up arms in 1914 for the causes of peace, justice and humanity, if we were now to be so unmindful of their sacrifice as to say, "Another war may come, and if it does we shall deal with it in the best way we can"? I think, honourable senators, that we are in duty bound to give our support to that great institution, the League of Nations. That is why I rise, though without preparation, to make these few remarks. I wish in my first speech in this honourable Chamber to declare my enlistment in favour of the League of Nations.

As the right honourable the junior member for Ottawa has stated, the causes of the present industrial crisis, the end of which unfortunately is not in sight, can be traced directly to the war which raged from 1914 to 1918. How, then, can we say that it is not our duty to do our share in attempting to prevent a recurrence of such a war in the future? My honourable friend from De Lanaudiere (Hon. Mr. Casgrain) said a few moments ago that all this talk about the League of Nations was purely idealistic and that there was nothing of much importance in that organization. I was sorry to hear him express such views, and I hope that he may soon come to a better appreciation of the League. As we heard in the historical sketch that was given to us this afternoon by the right honourable the junior member for Ottawa, the establishment of the League was one of the conditions which the Peace Commissioners insisted upon in their deliberations at Versailles. More than a decade has since gone by, and in my opinion it is due to the efforts of that great institution at Geneva that there have been in that time no military activities more serious than some rumblings in the Balkans and the present civil war in China.

Honourable senators, I support with all my heart the position taken by those who stand by the League of Nations. What better means can we devise for preventing wars than those means which it advocates? The plain people of this country, the farmers and the industrial workers, are in favour of the League, because they know that if there were another war they would be seriously affected. They know that to-day better than they ever did before, for they are aware that, as I have already stated, the causes of the present crisis can be assigned directly to the late war.

Shall it be said that those who fought and died so valiantly for Canada and for the cause of justice and humanity will not be vindicated by us when we have an opportunity to support that great body which up to the present has succeeded in stemming the tide of war? The honourable member from De Lanaudiere (Hon. Mr. Casgrain) said that attempts to abolish war had been made in China thousands of years ago. Similar attempts were made by the Amphictyonic League in Greece, by l'abbé Saint-Pierre, and during the middle ages. But these facts show conclusively that the best minds of humanity from time immemorial have been engrossed with the idea of establishing permanent peace in the world. I am not a prophet, but I say that if the League of Nations were disbanded we should soon witness a revival of jealousies and conflicts on the same scale as they existed up to the close of the late war.

Honourable senators, I think that the establishment of the League of Nations marked the advent of a new era in the annals of humanity, and that for all time to come people will realize that war is abolished. I believe I am expressing the opinion of the people of the country when I say that this honourable body can do no better than support the principles of the League of Nations, and that we are not wasting time in expressing our support. Both parties in Canada have looked upon this question, not as a party issue, but from a broad, humanitarian viewpoint, and the best minds of our country, in both parties, have been chosen to represent our country at Geneva. I was proud that we were represented there by such men as the right honourable Sir Robert Borden, the right honourable the junior senator for Ottawa (Right Hon. Sir George E. Foster), the honourable senator from Grandville (Hon. Mr. Chapais), and the honourable leader on this side of the Chamber (Hon. Mr. Dandurand). They spoke for Canada and for Canadians, and in conjunction with the statesmen of the Mother Country they represented the true sentiments of our people.

The motion was agreed to.

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

THE SENATE

Thursday, May 7, 1931.

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

Prayers and routine proceedings.

ECONOMIC CONDITIONS IN CANADA

DISCUSSION AND INQUIRY

Hon. J. J. HUGHES rose in accordance with the following notice:

That he will call the attention of the Senate and the Government to the world-wide depression that now exists, and to the serious economic conditions in Canada, and will enquire what action, if any, the Government intend to take to remedy these conditions.

He said: Honourable senators, presumably the members of this House have been appointed to their positions because of their age and because of their experience in their various callings, and once here they are supposed to be largely free from party political bias; therefore they should be able and willing to give useful service to the country in the management of its public affairs, and in the guidance and direction of public opinion. Hence the Senate, as I see it, should, this session at all events, give more than usual consideration to any legislation designed to improve conditions. There should be fewer and shorter adjournments, and, in my opinion, more seriousness in the performance of our very responsible duties. To follow this course need not add one hour to the length of the session and would add very little, if anything, to its cost. In fact, such co-operation with the work of the other House might conceivably shorten the sessions and reduce their costs. And here I wish to commend very strongly the editorial in the Montreal Gazette of the 29th ultimo under the heading, "The Case of the Senate."

Before entering upon the general statements I intend to make, I wish to refer briefly to some of the work of the emergency session of last year. During that session Parliament voted the sum of $20,000,000 to relieve unemployment, and this sum was to be spent, and was spent, in co-operation with the provinces and the municipalities. In this way some $60,000,000 or $70,000,000 became available, and was used under the direction of the Minister of Labour, who occupies a seat in this House. It was in my opinion wise legislation and on the whole, so far as I have heard, the money was judiciously and honestly expended. I have heard some complaints from Nova Scotia, but they were, I think, in regard to the provincial share of the work rather than the federal. I have also heard some complaints from Montreal, but they were apparently of a minor character. Probably the Minister made some mistakes: if he did not he would be more than human. When a public man does his duty honestly and conscientiously as he sees it, justice, in my opinion, demands that his efforts be publicly recognized while he is still living. This encourages other public men to give the best that is in them to the service of the country. Let us hope there will be no need to repeat the vote for unemployment next winter. That would appear to be something very like the beginning of the dole, which would be most unfortunate.

I wish I could commend all the legislation that passed at the emergency session alluded to, but I cannot, and my reasons will appear in my observations as I proceed. To begin with, I doubt the wisdom of protective tariffs, a policy to which the Government, and particularly the Prime Minister, seem to be irrevocably committed. I know that we are living in an age when there are practically world-wide national protective tariffs, and such a condition might justify us in departing temporarily from the basis of sound economics, just as a skilful physician may prescribe a deadly poison, arsenic, in cases of serious illness, or a capable master mariner, caught in a storm, may throw overboard part of his cargo to save the remainder. But the doctor who would prescribe arsenic as a daily food would have few patients to operate on, and the ship master who would order the jettisoning of part of his cargo every time he crossed the ocean would not be left long in charge of any ship; so the statesman who would advocate protection as a proper, ordinary national policy would not long retain command of the ship of state, if as much common sense prevailed in politics as prevails in most other things. Unfortunately, however, national fears, national enmities, national prejudices and national covetousness are often stronger than national good-will and sanity. Therefore, many men, recognizing this fact and desiring power more than any other earthly possession, sow the wind and allow their people to reap the whirlwind. Protective tariffs are not first causes; they are the symptoms of deep-seated maladies that are centuries old, and at least as extensive as continental Europe and America.

The statesmen who meet at Geneva have tremendous problems to face. They want to abolish physical war, and they want, I think, to abolish or at least mitigate commercial wars, namely, protective tariffs; but the national maladies which I have enumerated stand in their way, and are lions in their path. Physical wars and commercial wars have much in common, and both are the result of international distrust, and the question is, How can this distrust be removed? The League of Nations has undoubtedly been useful and has done something towards establishing international confidence, but its

progress has been slow, and it will inevitably continue to be slow while the United States of America stands aloof. The political machinery of the European cabinets has been kept busy for the purpose of establishing international confidence, reducing armaments and thus removing the dread of war. But it must be evident that progress in this direction will be retarded by fierce international economic aggression; for nations are reluctant to remove political trade barriers and to become dependent on one another while the fear of physical war exists. It is a vicious circle, and the nations so far have not been able to find a way out. A recent writer said:

> The tragedy of the present world crisis is that as conditions grow worse, the reactionary groups in each country seem to grow stronger. The result is that instead of uprooting the policies which have been largely responsible for the world's undoing, we are giving them a new lease of life.

The enactment of the Smoot-Hawley Tariff in June, 1930, dealt a severe blow to international trade and good-will, and, in the opinion of many observers, several of them Americans, was a great injury to the United States. The United States has not varied to the extent of a dollar the debt agreement made with Great Britain in 1923, and with the other Allied countries later, while the Allied nations have reduced by more than two-thirds their demands made upon Germany in 1921. The United States insists by her legislation upon the reparation payments being made largely in gold, which she piles up in her vaults, and thus, so far as she is concerned, the gold might as well have remained in the earth from which it was taken. She impoverishes her debtors who might be her customers, and enriches not herself. Some day or other this gold, if it is ever to be of any value, will have to be taken out of the vaults where it is stored, and exchanged with other nations for goods; so the exchange might as well have been made in the first instance. The United States, in the opinion of many of her own citizens, is pursuing a suicidal policy, but while the majority of her own people think differently other nations can do nothing about it.

There are said to be some twelve or fifteen millions unemployed in America and Europe outside of Russia, and that means thirty or forty, or perhaps fifty, millions at or near the borders of destitution. It is a serious and threatening problem, and God knows it was not caused by the absence of protective tariffs. I have mentioned what I believe to be some of the causes, but there may be other causes lying deeper still.

Now, I do not think I am a sentimentalist or a dreamer, and I am not going to try to preach a sermon—though I do not know why a layman in my position should apologize if he did try. I believe in the divinity of Jesus, and all that it implies, as firmly as I believe in my own existence or in that of the Parliament of Canada. I therefore believe in the practicability and the imperishability of His doctrine and teaching. Christianity may be temporarily destroyed in Russia and in some other countries, and may be grievously wounded in many so-called Christian countries, but it will not perish from the earth. The boat in which our Saviour took passage to cross the sea of Galilee was nearly overwhelmed by the waves. He spoke, and a great calm followed the storm; the winds and the sea obeyed Him. The principles of Christian conduct, particularly social Christian conduct, are summed up in the Sermon on the Mount. But the nations of the world, particularly the prosperous business nations, say that these principles are impracticable, and this idea has largely prevailed during the last four or five hundred years. Such a saying in the mouths of those who believe in the divinity of Jesus would be blasphemy, and in the mouths of those non-Christians who aver that Jesus was not divine, but only the greatest prophet, teacher and moralist that ever lived, it would be most illogical. No great ruler or man of wide experience, so far as I know, says that Moses was a dreamer and an unpractical law giver, and surely Jesus was much greater than Moses. The primary need of the world at the present time is the application, in business as well as in society, of the principles of Christianity. It is true there is a great deal of almsgiving in the world to-day, but almsgiving may be only a small part of Christian conduct, or may be no part at all. It is also true that there are worthy rich people in the world who covet not riches, and make no display of their wealth; they recognize they are God's stewards upon this earth. It will be well for such people in the day of Judgment. The conduct of the business world in general; the cut-throat competition and ruthless pushing aside of the weak; the desire of many rulers and strong men to pile millions upon millions by devious means or by the exploitation of natural resources and necessities of the people in their respective countries, could not fail to call down God's wrath upon the nations. His justice must condemn such methods, for His providence must have intended these resources to be the patrimony of all his children.

I have referred to the millions of unemployed and to the tens of millions of destitute men, women and children in the world to-day.

The tragedy is all the greater because the situation has resulted not from scarcity, but from abundance. It is said that one man attending a machine can now produce as much in a day as thirty or forty men could produce fifty or one hundred years ago. This mechanization, instead of giving every one more time for rest and the cultivation of the higher things of life, produces millions of paupers on one side and thousands of millionaires on the other. Greek mythology tells us that Tantalus, King of Sipylus, was chained in a lake of clear, sparkling water which reached to his chin. He was dying of thirst, but every time he bent his head to drink, the water receded from his lips. His plight was supposed to represent the very acme of human suffering. Was it different from what the destitute are suffering to-day? Will it be written of the twentieth century that the rise of the machine was the fall of man? If it can be so written, and if the present world situation cannot be changed, then our civilization has broken down, and London, Berlin, Vienna, Rome, Paris, Washington, New York, Chicago, Montreal, Ottawa, Toronto, will go the way of Nineveh and Tyre.

An American writer says that before the war he was sent by his parents to finish his studies in the universities of Germany. He says that the ruling classes and the so-called intellectual classes of that country had practically given up Christianity, that they even regarded it as a subject scarcely worthy of debate; and in his opinion more than half the ordinary people were of the same way of thinking. Their god was Mars. Him they worshipped and in him they had all confidence. They had no place for the lowly Nazarene or His teaching. We know the result. God is very patient, but He will not be mocked forever; and even in our day His word has been fulfilled. "All that take the sword shall perish with the sword." If reports speak truly, there are in North America many schools and universities which are nurseries of atheism, where God is not allowed to enter. Can we expect that if we follow Germany's example in this regard we shall escape punishment? The German people have many virtues. They are very thorough and very industrious, and they have done, and will continue to do, their share of the world's work. Perhaps the nation will be purified by the ordeal through which it has passed.

In the eighteenth century many of the rulers and many of the nobility of France were given to sensual pleasures and committed great excesses, and the common people groaned under much oppression. A revolution ensued. The soil of France was reddened with human blood. Christianity was officially abolished for a while. But a better and purer France emerged from the ordeal.

Great Britain, our own motherland, has had her faults. She also is human. For long years we sang "Britannia rules the waves." It was a proud boast, and we seemed to care very little how other nations might feel about it. Perhaps we did not realize that great riches and great power are very dangerous possessions if not wisely used. On the whole, however, Great Britain has been a good example to the world in many things. She is now passing through an ordeal that will test the national character as it never was tested before, and the next few years, perhaps the present year, will be freighted with the consideration of the most momentous questions we have ever had to decide. Let us hope that in the future, as in the past, no Britisher will ever feel ashamed of the mother that bore him.

Perhaps a glance at that incomprehensible country called Russia might not be out of place. We see going on in that country, before our eyes, the most drastic experiments mankind has ever witnessed. The governing authorities have ruthlessly suppressed private capital in favour of a system of state production and distribution which virtually covers all commodities. Under its five-year plan the Soviet Government, according to its friends, is attempting to raise the standard of living of Russia's millions by gradually converting the country from an agricultural to an industrial one, and in place of the ever recurring unemployment, the maladministration and the maldistribution of other years, substituting an orderly method of production based upon social needs. On the other hand, according to its enemies the Soviet Government is inflicting upon millions of its countrymen horrors in excess of anything ever suffered by the people of any other country since the dawn of history. These statements are probably exaggerated, and if we did not know of the terrible conditions that prevailed in Russia under the old order of things, our condemnation of Soviet rule would be greater. We know, however, that under the Czars official life was corrupt to the last degree, that the vices and the immoralities of what were called the higher classes had so benumbed the public conscience that the situation in Russia had become almost hopeless. The common people had no political liberty, and groaned under their burdens, and the Church either condoned these terrible wrongs or was powerless to combat them. But can a state church, where the head of the state is also

head of the church, ever take a decided stand against official immorality and official corruption? To expect that it can and will, is to expect nearly the impossible. The terrible plight of Russia cannot last for ever. God still reigns, and in His infinite mercy He may have already heard the cries of that oppressed, long-suffering, docile people, and the dawn of a brighter day may soon break over that unhappy land. At least than can be our prayer.

Man's inhumanity to man
Makes countless millions mourn!

I now come to our own country, Canada, where economic conditions are far from what we should like them to be, though, comparatively speaking, we have much to be thankful for. A few figures will probably suffice. In one year our trade has fallen off by some six or seven hundred millions, the national revenue is down by some eighty or one hundred millions, the gross earnings of our national railways are smaller by some forty or fifty millions, and the gross earnings of the C.P.R. by tens of millions. These are staggering figures and call for the most serious consideration. They mean heavy additional taxation, and large increases in the public debt, and necessitate the strictest economy in every department of the public service.

At the beginning of the present session the Government told us that the worst was over, that we were on the up grade, that there was "marked improvement in the domestic situation because of the tariff legislation of last year." But where shall we find the proof of all this? Surely not in the large reductions in the prices of lumber, fish and all agricultural products—in fact all basic products. Pious hopes and wishes are good things in themselves, but not very tangible assets, and if the majority of our people ever came to believe that the tariff legislation of last year and the proposed tariff legislation of this year would produce permanent improvement, it would be, I think, our greatest misfortune. I am quite willing to admit that it is possible to stimulate temporarily any secondary industry, or even a group of secondary industries, at the expense of the primary industries, but will such stimulation be to the permanent advantage of even the secondary industries themselves? Last fall or early last winter The Montreal Star, perhaps with the knowledge of the Government, carried a series of articles written by Mr. Norman McLeod, which were subsequently published in pamphlet form. On page 20 of the pamphlet Mr. McLeod tells us that he had met a French Canadian, an expert weaver, who had lived for twelve years in New England, but had to return last year to the land of his birth because he could obtain no employment in the land of his adoption. In other words, protection had failed to provide employment for tradesmen and craftsmen in the United States—the very thing we are told it will do in Canada. For years we have been told that protection was accomplishing wonders in the republic to the south; that that country owed its undoubted prosperity to its fiscal legislation, which all other nations should copy. If there is in the world a country where protection might work, it is the United States of America, and for reasons that must be obvious to every intelligent person. Now we are told by its advocate that it has failed there, but that it will not fail here; that while Uncle Sam's constitution has broken down and he has become an old man before his time, notwithstanding all his natural advantages, yet the same medicine that he has been taking will give Johnny Canuck a robust constitution that will last him for ever. The faith of some people in the gullibility of the public is marvellous.

On page 19 Mr. McLeod gives a supposed quotation from Abraham Lincoln. Here it is:

> I know very little about the tariff, but this I do know: that if we buy rails from Europe then Europe has our money; but if we buy rails in the United States, then we have the rails and we have the money too.

And Mr. McLeod adds, "Never has the case for protection been better stated."

To begin with, this statement that has been attributed to Lincoln is hoary with age and infirmity, and I am sure Lincoln never made it, because it would not take an Abraham Lincoln to detect its fallacy. If the United States can make better and cheaper rails than any other country, or than most other countries, then it should certainly make rails and exchange them for something that it needs and that some other country can make or produce better and more cheaply than can the United States. By such an exchange both countries would be benefited and international trade promoted. On the other hand, if the United States could not make rails to advantage, it would be a wasted national effort for that country to try to make them. If the principle of protection be sound, international trade is wrong, and should be internationally outlawed. If the principle of protection cannot be supported by something better than the alleged statement of Abraham Lincoln, which Mr. McLeod pronounced to be perfect, then nothing can be said in its favour. The Star publishes Mr. McLeod's pamphlet with a strong recommendation; therefore the Star is as innocent or as subtle as the author, and both, I think, underestimate the intelligence of their readers

There seems to be a widespread fallacy that to exchange goods for money—say gold—is far better than to exchange them for other goods, such as food, clothing, implements of production and works of art. The United States provides an outstanding illustration of this fallacy. Trade is essentially barter, and all trade is a good thing; it blesses him who buys and him who sells. Some people are terribly afraid of imports and of a balance of trade, as they call it, against them. But the fact is that the larger the so-called adverse balance of trade, the better, provided the imports are paid for by the exports. This could be proved by concrete examples, if necessary. When nations go to war they instinctively feel that external trade is vital to everyone; hence they blockade each other's ports and are even more anxious to prevent each other from importing than exporting. Does it not seem strange that in time of peace enlightened nations, governed by wise, patriotic statesmen, should to some extent by legislation do to themselves what enemy nations try to do to them in time of war?

We were told that the Prime Minister had in mind the passing of legislation authorizing and requiring insurance companies and banks to use such part of their funds or reserves as might be deemed necessary in the purchase of 4 per cent Canadian consols, which would be used to redeem the tax-free and other high interest bearing bonds as they matured. This would seem to be a thoughtful, comprehensive plan to reduce by millions the large interest obligations which the Government must provide for every year, and would probably be desirable legislation if kept within the limits of the present national debt. We are told now that this idea has been dropped and that the Government will issue 4½ per cent interest bearing bonds to meet our outstanding obligations. This will be just ordinary financing and will save something. But in addition to all that can be saved in this way, as I see it, there is need for retrenchment and economy in every department of our public and private affairs.

Some time ago the newspapers reported that the Prime Minister had issued an order to the effect that in future cabinet ministers would not be supplied with private cars; and the public approved. Lately the newspapers announced that no such order had been issued. I am sorry. We now find that the cabinet ministers will receive an annual increase of $2,000 each for the purpose of providing their own cars. Perhaps this is in the line of economy, but I think the times called for something better. Some time ago it was announced that the Government was thinking of reducing the salaries of the Civil Service employees. I think such reduction will have to come, but we should not begin with the Civil Service only. We should begin with everybody who is receiving, directly or indirectly, any pay from the federal treasury. This would include the Governor-General, or at all events his office, the Lieutenant-Governors, the judges, the members of Parliament, every member of the Civil Service, also the president and every employee of the National Railways. Many railway men are receiving higher salaries and wages than they could earn in any other occupation; they are being paid more than the traffic will bear and more than Canada can afford to pay. In addition, the pass privileges should be reduced; and the franking privileges, whereby large quantities of merchandise are carried free on the railways, particularly for the higher officials and their friends, should be abolished or greatly reduced. It is remarkable how fast class privileges and family compacts grow. Furthermore, the income tax legislation should provide for the contribution by every wealthy man in Canada of his full share towards the public needs; and in this connection I should like to see the tax-free bonds issued during the war and still outstanding, made subject to taxation.

Hon. Mr. CASGRAIN: The Government should not break a contract.

Hon. Mr. HUGHES: Such bonds should never have been issued. I may have more to say on this matter some other time. These reductions should work no injury to families with fixed incomes, because the lowered costs of food stuffs should enable such families to purchase as many of the necessaries of life then as they could purchase formerly. But in any event, an approximate equalization of the standard of living for all who are willing to work will have to come. The families engaged in the basic industries are obliged to accept low standards of living; and, depend upon it, honourable senators, if this country is to endure, the masses, who produce their share of the wealth, will not, and should not, accept a much lower standard of living than the classes. We cannot, in my opinion, have submerged masses and privileged classes on the North American continent. We cannot have men and women and little children hungry and cold in the midst of abundance and great wealth.

At the close of the war, I believe, the United States of America received a call to leadership among the nations. It heeded not the call; it deliberately turned its face to the wall. President Wilson may have made

great mistakes. Who does not? To err is human. If he made mistakes he paid the penalty; he went down to a premature grave with a broken heart. Let us hope that in the near future his country will take a different view of its world-wide responsibilities.

There will be a convention of the nations composing the British Commonwealth of Nations in Ottawa next summer. If this Empire is found worthy, will it receive a call to leadership? If it does, we must not forget that leadership means pain and sacrifice,—sacrifice for others. It has always been thus. "He who will come after Me let him take up his cross and follow Me" perhaps applies to nations as well as to individuals; but this sacrifice means great reward in the end.

Our Empire is unique in the history of the world. We must, I think, draw closer together or fall apart. Meticulous bargaining or fear that we may be over-reached by one of the family will not achieve desirable results. There must be mutual confidence and our motto must be: each for all and all for each. Above and beyond everything else, Canadians must be united among themselves. We, the British people, own and occupy a fourth or a sixth of the earth's surface. Perhaps we have too much territory. At all events we have enough. The seas that separate us really bring us closer together, because transportation by water is much cheaper than by land. We produce or grow all the necesaries and many of the luxuries of life, many of them in abundance. If under these circumstances we cannot live and prosper, no matter what other nations may do in the way of trade, the breed must be dying. But we cannot allow such a thought as that to rest in our minds for a moment. It should be made clear to all the rest of the world that our coming closer together menaces no one; that we look upon all mankind as our brothers, if they will allow us so to regard them, and that we are willing to prove our words by our deeds in every practicable manner.

Canada is the largest, the wealthiest in natural resources, and the most populous of all the Dominions. The Economic Conference, as I have said, will be held in Ottawa. Apparently the call has come to Canadians to take the lead, and leadership, I repeat, means a willingness to sacrifice. We would, I feel sure, be ready to die for the motherland and for every other part of the Empire in case of need: then let us show that we are willing to live for the motherland and for every other part of the Empire, and there need be no fear of the results. If the call has come to us, it is intended not for Conservatives nor Liberals alone, but for Canadians. The Prime Minster should therefore extend a whole-hearted invitation to the right honourable the Leader of the Opposition to attend, and the Leader of the Opposition should accept the invitation in the same whole-hearted manner.

May God direct us and strengthen us and abide wth us!

Hon. W. A. BUCHANAN: Honourable senators, when one comes to discuss a question of such importance as the existing economic situation, I suppose the tendency is to confine one's thoughts and remarks to conditions as they are in one's own part of the country. If I were to be asked to express in one word the key to the solution of our present problem, and if I were to think only of Canada as that part west of the Great Lakes, the word I would use would be "wheat." I have a strong feeling that if the prices of wheat and other farm products could be brought nearer to their former levels our general economic problem in Canada would be solved. If I may discuss that problem from the Western viewpoint, I may be able, as a business man who is in contact with agricultural conditions in the West, to bring some new light to bear on the subject.

For some months back we have been offered a variety of proposals for relieving the depression, but I feel that insufficient consideration has been given to some of the suggested remedies. In the first place, Western Canada will always be a great wheat-raising country, if for no other reason than that the greater part of the agricultural areas there are suited only for the raising of high-class wheat. Mixed farming is not practicable in many sections of the Western Provinces. In the Canadian Pacific Railway's division in the southern part of Alberta there is enough wheat raised in an average year to supply all the requirements of the whole Dominion; that is, not only sufficient to feed all our people, but also to furnish the seed required by our farmers. But I would not for one moment attempt to discourage mixed farming in the West.

One of the weaknesses of Western agriculture has been that the Western farmers have not depended upon their own produce for sustenance to the extent that they should have; they have not raised sufficient live stock to provide the milk, butter and meat required by themselves and their families. Had there been more mixed farming out there, the distress would not have been as great as it now is.

Let me speak of the difficulty of carrying on mixed farming in some sections of the West. That reminds me of a story that I heard in

the last few weeks. In one part of the Province of Saskatchewan a traveller met a farmer hauling four or five barrels of water. The traveller inquired from what distance the water had to be brought, and the farmer said that he got it from the river, which was four or five miles away from his farm. So the traveller said, "Why don't you sink a well on your farm?" The farmer replied, "Then I should have to go even farther to get water." The same thing could be truthfully said by farmers in many sections of Western Canada.

But if we go into mixed farming in the West to a greater degree than in the past, we must be careful not to over-produce. Not long ago a statement was published by the Dominion Bureau of Statistics to the effect that Western Canada even now has a greater per farm production of live stock, butter and eggs than the other parts of Canada have.

Hon. Mr. FORKE: Hear, hear.

Hon. Mr. BUCHANAN: Of course, we must keep in mind the large area of some of the Western farms. Nevertheless, that statement proves mixed farming has not been neglected out there. But what is going to happen if we go into the business on a larger scale? As has been stated a number of times in this Chamber, the danger is that our production in certain lines might exceed our possible consumption and then we should be faced with the problem of finding markets elsewhere. If we are to produce more butter, as an instance, then I feel that we should see to it that our butter is of the highest grade, so that if we have a surplus we shall have a better chance to dispose of it abroad. If we decide to raise more hogs, then we should be equally insistent on high quality, so that our excess bacon would be able to compete with that of other countries on the British and European markets. In a conversation I had a few days ago with the honourable senator from High River (Hon. Mr. Riley) he said that we might obtain a market for our surplus beef in Great Britain, but unless we were able to keep up a steady supply of the best quality, we could not hold that market. It is well to consider in what direction we are headed. It seems to me it would be a very undesirable thing to bring about an increase in products of a type of which we could not dispose. If mixed farming were to be engaged in seriously by 75 per cent of the farmers of Western Canada, we should soon have large quantities of surplus produce that would have to be disposed of on outside markets. My idea is that we should encourage the raising of live stock for the purpose, first of all, of enabling the farmers to sustain themselves. If the business is gone into more extensively than this, then we must insist on high standards of quality so that we may be able to compete successfully with the producers of other countries.

As I said at the outset, I think that Canada will always be a great wheat-producing country, and therefore it is important that we should do everything in our power to bring about a higher price for wheat. If we could get an additional 25 or 30 cents per bushel right now, there would be a great improvement in conditions throughout the length and breadth of Canada. We have said, those of us who come from Western Canada—and I am more convinced of it to-day than ever before —that the prosperity of the whole of Canada depends upon the purchasing power of Western Canada. Our industries in Eastern Canada have extended during the past twenty-five years. Why has this been so? It is because of the growth of Western Canada and the creation of great wealth there. If that wealth disappears, as it has been disappearing, and does not come back during this year, then I say that conditions in Canada as a whole are going to be far more serious than they were a year ago, and particularly during last winter. There must be a revival of the purchasing power of those millions of people who have been producing so much wealth during past years if industry is going to be able to dispose of its products and employ the labour which is so anxiously seeking employment at the present time.

I live in a section of Western Canada where the only irrigation areas in Canada outside of British Columbia are located. The tendency in those areas has been to raise the very same products as are raised by the farmers who are located on non-irrigated land, and I should like to offer here to-day the suggestion that those large acreages should be changed from the production of wheat and other grains to the production of some of the things that Western Canada generally does not raise. We have opened up in those irrigated areas within recent years a sugar beet industry, and if we can supply the requirements of the three Prairie Provinces alone, it will be possible to have from six to eight sugar beet factories in Western Canada. Not only would there be produced on irrigated land something that would replace the wheat and barley and oats, but there would be employment for far more labour than it is possible to employ at the present time. Then we have great possibilities in connection with the canning industry. I am speaking of the possi-

bilities of the irrigated land. We can raise there nearly every kind of vegetable. But no encouragement is given to the raising of vegetables, and there are no canneries of any account in the Prairie Provinces at the present time. I feel that the Eastern Canada canning industries should encourage that development in order that the farmers of Western Canada might enter another avenue of agriculture and produce some of Western Canada's requirements in canned goods, and in order also to create a market for the labour that we have at the present time and always have had in that part of the country.

Then again, we are giving assistance through the tariff to the woollen industry, but we are not encouraging the woollen industry so far as the raw material is concerned. There is no reason why in large sections of Alberta and Saskatchewan there should not be considerable expansion in sheep raising. We have the very best lands that can be found for grazing sheep. There are lands there that are suited only for grazing sheep. They are not suitable for agriculture, and probably not suitable for other classes of live stock. But there is no incentive for a man to go into the raising of sheep unless he is assured of a market for his wool, and his lamb and mutton.

I feel that in looking towards a solution of some of the agricultural problems of Western Canada we should think of the possibility of developing agriculture in certain sections along lines that will take land out of wheat and put it into some other products, like those I have mentioned, that are required by the people of Western Canada. I feel that if we are going to encourage the development of industries on the Western Prairies we must encourage the people there who are raising the raw materials suitable for those industries. If they are going into the production of sugar beets, there must be sugar beet factories to consume their products; if they are going to engage in the growing of vegetables, they must have canning factories; if they are going into sheep raising, they must be assured that woollen mills will be established in Western Canada, or that the mills now operating in Eastern Canada will take their product.

These are among the ideas that I have, after studying the problem close at hand in my own section, towards helping agriculture, apart from the general extension of mixed farming, which is possible in certain favourable areas. It so happens that industries throughout the country are depressed. The industries in British Columbia, bordering the Prairie Provinces, are all depressed. They would not be depressed if the farmers of the Prairies possessed buying power. I have in mind the lumber industry, which would benefit from a development of the kind I have suggested. There is one industry in British Columbia and on the Prairies, however, that is in a worse position to-day, I think, than it has ever been in before, and the outlook of which, I think, is of the darkest. I speak of the coal mining industry. The outlook of this industry in the Prairie Provinces is just as dark as it appears to be in the extreme east of Canada. This is not due wholly to the present economic depression; it is due partly to the fact that other fuels have been made available to the people of Western Canada, and partly to the extreme mildness of the past winter. I think it is safe to say that the miners in the coal fields of Alberta, at any rate, did not have more than two days' employment a week, on the average, during the past winter, though the winter is the period when coal is usually in demand. The development of the natural gas industry was probably responsible to a greater extent than the mildness of the minter. The first coal mines in Western Canada were developed by the late Sir Alexander Galt in the city in which I live; in fact, the city was created because of the coal mines. There are to-day at the door of the city three or four coal mines that are able to produce probably 10,000 tons of coal a day, and I venture to say that 75 per cent of the fuel used in the city is natural gas. That is simply an illustration of what is happening throughout the whole of Alberta, where there is so much natural gas—such a great waste of natural gas. Unless some solution can be found for our coal problem, the coal mines of Western Canada are more or less likely to go out of existence. Unless someone can find a means of marketing that coal economically in those parts of Canada where coal is not produced, the coal markets of the West will be limited largely to the rural sections of the provinces in which they are located, because the larger centres will be using natural gas almost exclusively in the next few years.

Now, I have finished with the observations that I desired to make at this time. I rose, as I have said, simply to give to this honourable body my view of the situation as it exists in Western Canada, and to offer in my humble way a solution for some of our problems. While the depression is very severe in certain sections of Western Canada, I feel that the situation is in many respects as bad in Eastern Canada as in the West. The existing depression, Dominion-wide and world-wide as it is, is proving that each section of Canada is dependent upon every other section, and

that it is only by a policy that aims at unity and national development that we can ever solve our difficulties. We have to look at things in a national rather than a sectional way. I feel—and I want to emphasize this—that the industries of Eastern Canada cannot thrive until the purchasing power of the farmers of Western Canada returns. We must get down to rock bottom and try to solve the agricultural problems of the country, and then, I believe, our industrial and other problems will be solved.

BANKRUPTCY BILL

SECOND READING

Hon. Mr. BUREAU moved the second reading of Bill B, an Act to amend the Bankruptcy Act as respects locality of a debtor.

Hon. Mr. WILLOUGHBY: Explain.

Hon. Mr. BUREAU: This Bill was passed by the Senate in the session of 1929, but too late to receive consideration in the House of Commons. It affects only the Province of Quebec.

Under the Bankruptcy Act as it relates to the Province of Quebec, the word "court" has been interpreted by the Superior Court and the Court of Appeals of that province, and by the Supreme Court of Canada, as being the court named, no matter where it may be sitting, and as the Act now stands a man who carries on business in the county of Gaspé, should he become insolvent, could be compelled to come to Hull to meet a petition for insolvency filed there by a single creditor, even though all the other creditors were in the county of Gaspé. The object of the Act, I think, was to prevent an insolvent in one province from being haled to another province, and the word "court" meant a court having jurisdiction throughout a province. In Quebec our Code of Civil Procedure divides the province into twenty-five or twenty-six judicial districts—I am not sure which number—and determines where actions shall be initiated, but the federal statute defines what courts shall take cognizance of insolvency cases, and we have no right to restrict that statute by provincial enactments or regulations.

The object of this Bill is to prevent confusion and expense. Lawyers in the Province of Quebec have been accustomed to initiate proceedings in the particular district where the Code says they shall be initiated. Under the amendment the word "court" would be restricted to mean the court in the judicial district wherein the debtor resides or carries on his business, or, in the words of the Bill itself, "the court of the locality of the debtor."

Hon. Mr. WILLOUGHBY: The difficulty with the Act as it now stands had been called to my attention before. This amendment, I fancy, will clarify the situation. Another advantage to be gained by making the proposed amendment is that it will lessen the cost of the administration of bankrupt estates.

Hon. Mr. BUREAU: That is the object.

Hon. Mr. BEAUBIEN: May I ask my honourable friend whether the Bill is printed?

Hon. Mr. BUREAU: The Bill is printed and distributed.

Hon. Mr. BEAUBIEN: It is not on my file.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Beaubien in the Chair.

On section 1—locality of a debtor:

Hon. Mr. BUREAU: Honourable senators, I move that the proposed new clause be altered by striking out the word "Revised" and all the words after "Statutes of the Province of Quebec." The clause would then read:

> In the Province of Quebec, the judicial district wherein the debtor carries on his business, as defined by the Statutes of the Province of Quebec.

The amendment and the section as amended were agreed to.

On section 2—bankruptcy petition:

Hon. Mr. BUREAU: My honourable friend to my right (Hon. Sir Allen Aylesworth) has suggested that the proposed new subsection should be put into a little better English, and I agree with him. I therefore move that the word "of" in the third line be stricken out and that the words "having jurisdiction over" be substituted, so that the subsection would read:

> Subject to the conditions hereinafter specified, if a debtor commits an act of bankruptcy a creditor may present, to the court having jurisdiction over the locality of the debtor, a bankruptcy petition.

The amendment and the section as amended were agreed to.

The preamble and the title were agreed to.

The Bill was reported, as amended.

THIRD READING

Hon. Mr. BUREAU 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

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 5, an Act to amend the Canadian National Railways Act.

He said: Honourable senators, the explanatory notes attached to the Bill clearly indicate the principal purpose of the proposed amendment, which is simply to permit an increase in the number of directors of the Canadian National Railway Company from fifteen to seventeen. At the present time all provinces of Canada with the exception of Saskatchewan and Alberta are represented by directors on the board, and it was thought that in fairness to these two provinces they also should be represented. They are by no means unimportant shippers, as was suggested this afternoon by the honourable gentleman from Lethbridge (Hon. Mr. Buchanan). The railways are vitally affected by any abnormal fluctuation in the quantity of freight traffic originating in the Prairie Provinces, and this has been well illustrated recently by the tremendous decrease in freight revenues because of the comparatively small shipments of wheat.

Right Hon. Sir GEORGE E. FOSTER: I should like to ask a twofold question. What are those directors supposed to do, and to whom are they responsible? At the present time there are fifteen directors and, if the Bill passes, that number will be increased to seventeen. Some day or other a motion may be made here or in another place that every county in Canada through which this railway and its branches run should be represented by a director on the board.

Hon. Mr. WILLOUGHBY: Well, if such a Bill were passed it would fill a want long felt by many persons. The directors, other than those who are appointed ex officio under the Act, are the nominees of the Government and may be called upon by the Government for an accounting at any time. Of course, they act in a corporate capacity, and an annual report of their labours is made to Parliament. Either House of Parliament surely has the right to demand from those directors information concerning this great railway, which is owned by the people of Canada. In another place there is a committee for the purpose of dealing with the national railway. It is true that committee usually sits in camera, but that is at the discretion of members of Parliament. It must be within the competence of Parliament to impose upon this corporation of its own creation any supervisory methods it may deem necessary.

As to the work which the directors do, I presume that is similar to what is done by the board of any company. Every matter that is germane to the operation of the railway would certainly come within the purview of the board at its meetings. The railway is a very large corporation indeed, and affects the life of this country in very many ways. The board exists for the purpose of receiving reports from officials and passing such rules and regulations as it may deem to be in the interests of the railway and the country at large.

Right Hon. Sir GEORGE E. FOSTER: Directors of a bank or of a business corporation meet at more or less regular periods and decide upon the policies and commitments of the corporation. Now, has this board of directors an equal right to say what expenditures shall be made? We have been conning the answers given to a series of questions in another place and we are faced with figures which, to say the least, are mildly astonishing. Can the honourable gentleman tell us whether the directors are responsible for these new commitments, the advisability of some of which is problematical, in my opinion, or can such commitments be made irrespective of the sentiments of the directorate?

Hon. Mr. WILLOUGHBY: They constitute a corporation, and it seems to me that as long as a man functions on that directorate he assumes personal responsibility for the results of the board's deliberations. If he does not want to have that responsibility he should get off the board.

Right Hon. Sir GEORGE E. FOSTER: Or never be put on.

Hon. Mr. WILLOUGHBY: Yes, or never be put on. But if a man is there he cannot divest himself of the responsibility to account for his individual share in the board's actions, unless he shows in some public way that he refuses to concur in such actions.

Hon. Mr. LAIRD: My honourable friend would not expect a director to resign?

Hon. Mr. WILLOUGHBY: I do not expect that a director will resign, but if there is one who is not willing to assume the responsibility he should resign.

Hon. Mr. GILLIS: But they never do resign.

Hon. Mr. LAIRD: We have never heard of it.

Right Hon. Sir GEORGE E. FOSTER: We have not had notice of any resignations to date.

Hon. Mr. WILLOUGHBY: No; they are willing to serve to the end, I believe. But so long as we have this body functioning as I have outlined, this Bill would affect the people only by increasing the directorate to seventeen and providing that each of the new directors, of course, should be paid $2,000 a year. The Bill will not increase or diminish the responsibility of the board, but will simply give representation to two provinces that heretofore have been unrepresented. If a director is worthy of appointment at all, his attendances at the board are worth $2,000 a year. It may be that the ablest people in the country are not appointed to the board, but it cannot be said that this is the first public body which has not been able to secure the services of the best brains in the Dominion. Certainly the men appointed from those two provinces ought to have some opinions as to how the road should be operated as far as those provinces are concerned. For instance, the extension of railway lines in the various provinces is a subject that comes to the attention of Parliament by way of recommendation from the board. I know there is a latent sentiment in the West that at times, perhaps, some other parts of Canada have a greater voice in regard to the actions of the board than have the provinces of Alberta and Saskatchewan, which are not represented. Wisely or unwisely, a policy of construction has characterized the history of this great railway since the Government took it over, and many extensions have been built. The propriety of extensions should be, to some extent at any rate, within the knowledge of the member appointed from the province in which the extensions are to take place, and I think it would give the people of Alberta and Saskatchewan a certain feeling of satisfaction to know that they were represented on the board by someone who was able to throw light on the subject when the board met in another part of Canada. In that way I think the value of the board will be enhanced by the two appointments.

Right Hon. Sir GEORGE E. FOSTER: I do not wish to be understood as objecting to the addition of so small a number of members to the board at the salaries mentioned, but it has been borne in upon me very strongly that there is a lack of co-ordination, or a lack of Government supervision in certain matters, and that frequently the first news that we receive in regard to enormous expenditures upon projects not strictly germane to the construction or operation of lines of railway comes to us only after the expenditures have been authorized and made. I think this matter is under careful consideration at the present time, and I hope that as a result there will be, before expenditures are incurred, something in the nature of a closer supervision by the power that has to pay the bills. I am, and have been, in favour of the road being operated independently of the Dominion Government as far as that is possible, but I do think that some method should be devised whereby the Government, which in the end has to foot the bills, should have a supervisory and directory authority in the matter of new policies and new construction.

Hon. Mr. WILLOUGHBY: All new lines, in any event, have to receive the approval of Parliament. Provision for all branch lines comes before us in the railway's annual budget, and this gives us some little control.

Right Hon. Sir GEORGE E. FOSTER: I will come down to particulars and say that expenditures in connection with the erection of hotels do not come before either branch of Parliament for authorization. Our knowledge of them is acquired, in some cases, through visiting certain parts of the Dominion and stumbling upon the hotels; in other cases through the presentation to us of the bills after construction has been entered upon, and perhaps even completed. The avenues open to an enterprising manager of a great railway are many and varied, and it seems to me that if we have to pay the bills we should have a little more direct supervision, particularly over the initiation of new projects.

Hon. Mr. FORKE: Is there any statement anywhere in the Bill as to where the new directors shall come from?

Hon. Mr. WILLOUGHBY: No, except the provinces.

Hon. Mr. FORKE: Are the provinces mentioned? I cannot find that.

Hon. Mr. WILLOUGHBY: In any event that is the intention.

Hon. Mr. FORKE: That is different.

Hon. W. E. FOSTER: The honourable the leader spoke of the importance of this proposal to the shippers in Saskatchewan and Alberta. Do I understand that the interests of the

shippers of those two provinces, as between themselves and the railway, will be more particularly looked after by these directors?

Hon. Mr. WILLOUGHBY: I do not think for a moment that the matter would be under their control, but I do think it would be under their observation. If they are worth their salt, they should be able to contribute to the board's knowledge.

In answer to the honourable gentleman from Brandon (Hon. Mr. Forke) I may say that it is not specifically stated that the directors shall come from Alberta and Saskatchewan, but that is the avowed object of the Bill.

Hon. RAOUL DANDURAND: Honourable members of the Senate, the administration of a state railway is very different from the management of an ordinary commercial corporation. The Intercolonial Railway was administered directly by the Minister of Railways; but the management of the Canadian National Railways is totally different. The people of Canada are the shareholders of the Canadian National Railways, but they do not meet annually, except through their delegates in Parliament. Practically speaking, the shareholders of the Canadian National Railways are now sitting in either branch of Parliament. The control usually exercised by shareholders we have left to the House of Commons as represented by a special committee which examines into the projects of the Canadian National Railways. That is the real supervision that the people of Canada have over this property.

The railway property represents an expenditure of over two billions of dollars. Here is the extraordinary situation. We handed over to a stranger, whom we sought and selected because he was a stranger, the extremely valuable asset of the Canadian National Railways. We said to him: "We shall give you a board of directors, who will be your immediate assistants. They will provide expert knowledge and experience. Besides that we shall give you some representatives from the various provinces." We went further. We said to the gentleman into whose hands we had delivered that immense asset: "We bind ourselves not to allow the members of Parliament or the ministers to interfere. There shall be no political interference of any kind with your management." We practically gave him carte blanche in the administration of the railway.

Now, this gentleman is surrounded by his executive officers, who possess full knowledge in regard to the railway, and who meet as often as necessary; perhaps once a week. I cannot see that the laymen on the board have any direct control over the actions of the executive. They come to the head office in Montreal, if they feel so disposed. What function can those directors perform who come from the extreme east or the extreme west of Canada unless it be to represent the needs of their respective provinces? They may be consulted in regard to certain matters of policy, or some general developments which call for an application to Parliament for a very large expenditure, but I am under the impression that the real power rests in the hands of the executives immediately surrounding the President.

It is right and proper that each province should have on the board a representative who can bring to it the atmosphere of his province. Of course, certain directors may be more active than others, or may take a greater interest in the financial administration, but they cannot meddle very much with the daily management of the road. That is left to the experts of the railway, and to the executive, which is governed by the Railway Act and is under the supervision of the Board of Railway Commissioners as to rates and certain other matters.

These are the conditions under which a state railway in Canada is administered, and I repeat that the shareholders, the owners, must rely almost exclusively upon the control that is exercised by the Railway Committee, before which the President and his staff appear, and spend days in explaining what has been done during the year just past, and what projects are in hand for the year to come.

Hon. Mr. LACASSE: May I ask the honourable leader of the Government what was the basis of the original number of fifteen who formed the directorate of the Canadian National Railways?

Hon. Mr. WILLOUGHBY: Apparently the primary object was to have the various provinces represented. The Maritime Provinces had one each, Ontario and Quebec had three each, the Province of Manitoba had one and British Columbia had one. In addition to these—speaking from memory—there were three official representatives who were not selected in the same way as the others. One of these was the representative of labour, Mr. Moore, another was one of the officers of the President, and there was also the Deputy Minister of Railways. They were appointed by virtue of their official positions.

Hon. Mr. FORKE: May I refer to the remarks of the right honourable the junior member for Ottawa (Right Hon. Sir George

E. Foster)? The Board of Directors, if I understand the matter correctly, make a request to the Government for a certain amount of money for the operation of the railways, and the money is voted by Parliament. That is all right; but I do not think there is in the Railway Act anything authorizing the Board of Directors to enter upon capital expenditures for anything but railways. We find hotels being built. I do not think the Board of Directors or the President have any authority to commence the building of a hotel, or to consider what sort of hotel shall be built, until the money is voted by Parliament.

Right Hon. Sir GEORGE E. FOSTER: Then who has?

Hon. Mr. FORKE: It has been done in the past, but I do not think it should be done.

Hon. Mr. WILLOUGHBY: I am not sure as to the authority. My opinion and that of my honourable friend in regard to the erection of hotels may not be very far apart. Parliament may not have been very keen to approve such expenditures, but they have been ratified. I assume that when a hotel involving a large expenditure is contemplated the project surely must be brought to the attention of the special committee of the House of Commons. I can only say that I have not been present. I dare say the honourable gentleman has not been present either.

Hon. Mr. FORKE: No. But such projects have been brought to the committee after the undertaking has been commenced.

Right Hon. Sir GEORGE E. FOSTER: There is evidently a distinction between operation and operations, in regard to the working out of a railway system. To my mind it would be impossible to work it out satisfactorily if there were interference in the way of patronage or in regard to the process of operating the railway. The operation is in the hands of the manager and his officials; and, having the necessary knowledge, they are the proper persons to direct it. I do not suppose, though, that the President and directors of the railway have power to commence the building of a line that has not been authorized by Parliament, for that sort of thing comes before us for consideration. But there are operations as to which, I think, there ought to be some restrictions imposed. Projects that are not entirely germane to railway operation should not be undertaken until they have been authorized by Parliament. The present system is like auditing accounts after expenditures have been made: you can do the auditing, if it gives you any satisfaction to know where the money has gone, but you cannot call the money back. I agree with my honourable friend as to the manner in which matters strictly germane to the operation of a railway should be carried out, and I am not offering any criticism in that respect. My point was with regard to a different set of enterprises, of which we know nothing until we find that the expenditures have been made.

Hon. J. STANFIELD: Honourable senators, some three years ago a committee in another place was dealing with the question of railway hotels, and reported in favour of the building of one in my province. The committee's report was presented to and approved by the other Chamber. I suppose the matter did not come before us except in the way of an appropriation included in the main estimates, but in any event it is clear that Parliament has some say with regard to the building of hotels. The time to criticize these things is when they come before us.

Hon. Mr. FORKE: Is the honourable gentleman not aware that the excavations for that hotel were gone on with before that?

Hon. Mr. STANFIELD: Yes, but it was not too late to stop the thing if so desired.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Copp in the Chair.

Section 1 was agreed to.

On section 2—inquiry and report regarding company or operation of Government Railways:

Hon. Mr. DANDURAND: Has my honourable friend a copy of the Railway Act before him?

Hon. Mr. WILLOUGHBY: No, I have not.

Hon. Mr. DANDURAND: I should like to verify the reference to sections 61 and 70.

Hon. Mr. WILLOUGHBY: My honourable friend may discuss any particular point to-morrow, if he wishes.

Hon. Mr. DANDURAND: We might report the Bill now and give it third reading to-morrow.

Hon. Mr. WILLOUGHBY: Yes.

Section 2 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

CANADIAN NATIONAL RAILWAYS BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 9, an Act to ratify and confirm certain agreements respecting the joint use by Canadian National Railways of certain tracks and premises of Canadian Pacific Railway Company at Regina.

He said: All honourable members from the West, at any rate, know that both the Canadian National Railways and the Canadian Pacific Railway have jointly used the tracks and premises, including the station, at Regina. I have a memorandum from the Department, explaining that the Bill is for the purpose of confirming and ratifying two agreements respecting the joint use of tracks and premises of the Canadian Pacific Railway Company at Regina by the Canadian National Railways. The agreements are to be in effect for ninety-nine years from the 1st of January, 1912, and therefore require parliamentary sanction. The old agreement between the Canadian Northern Railway Company and the Canadian Pacific Railway Company was for twenty years. On the 28th of January, 1926, a supplementary agreement was entered into between the Canadian Pacific Railway Company, the Canadian Northern Railway Company and the Grand Trunk Pacific Railway Company, whereby the original agreement of 1912 was made applicable to the Grand Trunk Pacific Railway Company and varied the terms of payment, and the Canadian Pacific Railway Company agreed to permit any other company or railway forming part of the Canadian National Railways to exercise the rights granted to the Grand Trunk Pacific Railway Company, subject to certain variation in the shares of costs and expenses. This agreement was to continue in force from the date thereof during the same period as the original agreement of 1912, and was subject to ratification by Parliament. On the 5th of May, 1930, an amending agreement was entered into between the Canadian Pacific Railway Company and the Canadian Northern Railway Company, the Grand Trunk Pacific Railway Company, the Grand Trunk Pacific Branch Lines Company and the Canadian National Railway Company, by which the agreement of 1912 was amended with reference to commercial telegraph messages, office accommodation at the joint station, certain switching rights and advertising. The object of the Bill is to ratify and confirm those supplementary and amending agreements, so as to continue them in force for the full period of ninety-nine years from the date of the first agreement, that is, the 1st of January, 1912, unless sooner terminated in accordance with the provisions of the first agreement. It is simply to confirm a joint traffic arrangement at Regina, where the station is now being provided with increased facilities.

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

THIRD READING

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

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

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

THE SENATE

Friday, May 8, 1931.

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

Prayers and routine proceedings.

CRIMINAL CODE BILL

FIRST READING

Bill G, an Act to amend the Criminal Code.—Hon. Mr. Lynch-Staunton.

CANADIAN NATIONAL RAILWAYS BILL

THIRD READING

Bill 5, an Act to amend the Canadian National Railways Act.—Hon. Mr. Willoughby.

CANADA EVIDENCE BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 10, an Act to amend the Canada Evidence Act.

He said: Honourable senators, this is a very short Bill, the purpose of which is to permit the proof by affidavit in any court that a Government licence has not been issued. In other words, the Bill would make possible a sort of negative proof. At the present time the Canada Evidence Act permits positive proof by affidavit; that is, the issue of certificates or licences can be proved merely by the production in court of an affidavit, based on the books of the Department concerned and sworn by the proper officer in Ottawa. The amendment proposes that the same procedure may be followed where no licence has been issued. The amendment would save a lot of expense, because, as the Act now stands, when it is necessary to prove in the courts

anywhere in Canada that a licence has not been issued, officials have to travel to the courts to give the negative evidence. The Bill would permit such negative evidence to be given in the form of an affidavit.

Hon. Mr. DANDURAND: Of course, that would be prima facie evidence only.

Hon. Mr. WILLOUGHBY: Certainly, prima facie only.

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

THIRD READING

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

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

TICKET OF LEAVE BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 11, an Act to amend the Ticket of Leave Act.

He said: Honourable senators, the purpose of this Bill is to give the Solicitor General statutory authority to do certain work in connection with the Ticket of Leave Act, which he has been doing in the past without such authority. The Bill would legalize a practice which has grown up during the last fifteen or twenty years. The present statute makes it the duty of the Minister of Justice to advise His Excellency the Governor General in respect to all applications under the Act. This work has been carried on by the Solicitor General's branch of the Department of Justice; but there has been no statutory authority for such a practice. The proposed amendment would give the necessary authority by providing that the Minister of Justice, or such other member of the Government as may be designated by the Governor in Council, shall advise His Excellency upon all matters connected with or affecting the administration of the Ticket of Leave Act.

Hon. Mr. DANDURAND: I am one of the members of this Chamber who have had some experience with the administration of the Ticket of Leave Act. For four months I was Acting Minister of Justice. Unfortunately for me, at that time there was no Solicitor General and I found myself deluged with hundreds of requests for tickets of leave from prisoners in our various penitentiaries. Prisoners apparently have a right to make such a request once a year, and a minister's entire time would be occupied in dealing with these matters if he carefully studied the records in connection with all the cases. I never suspected that the Solicitor General had not the express power that this Bill would give him.

Hon. Mr. BELCOURT: May I inquire of the honourable leader of the Government what is the reason for communicating with the Governor General?

Hon. Mr. WILLOUGHBY: I suppose it is a question of the clemency of the Crown in a criminal matter.

Hon. Mr. BELCOURT: Is action not taken by means of Order in Council ?

Hon. Mr. CASGRAIN: Approved by the Governor General.

Hon. Mr. WILLOUGHBY: I should think it would be a prerogative of the Governor General.

Hon. RODOLPHE LEMIEUX: Honourable senators, for about two and a half years I had the honour to serve as Solicitor General. The ticket of leave system was not in vogue then, but was brought into being afterwards by special legislation. In recent years the petitions for clemency have become so numerous that the Minister of Justice has found it impossible to give personal attention to them. My understanding of the Bill is that it will simply amend the Act so as to authorize the Solicitor General to examine all these petitions, as he has been doing in the past. The work can be satisfactorily done by the Solicitor General's branch of the Department of Justice, where there is an exceedingly able official, Mr. Gallagher, in charge of it. Formerly another capable officer, Mr. Power, performed that work.

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

THIRD READING

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

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

ROYAL CANADIAN MOUNTED POLICE BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 29, an Act to amend the Royal Canadian Mounted Police Act.

He said: Honourable members, this also is a comparatively simple Bill. It has arisen, perhaps, out of certain legislation in the Province of Saskatchewan, or in any event,

that legislation is affected by the Bill. I happen to have had at one time the honour of being the leader of a noble but diminutive band in the Saskatchewan Legislature who resisted, as being inexpedient and costly, certain legislation that was brought into that House for the purpose of establishing a provincial police force and dispensing with the policing done by the Royal Canadian Mounted Police. At that time, as at all times, the Royal Canadian Mounted Police had a reputation which, of itself, was of infinite value in the administration of justice. However, the Bill passed and we had for many years two forces of police, the Dominion force looking after the enforcement of Dominion laws, and the local force looking after the residuum of criminal matters in the province and the enforcement of Acts of the Saskatchewan Legislature.

The Province of Saskatchewan has since surrendered its force to the Dominion Government, and there are, I think, four officers and about fifty-five non-commissioned officers and men who will now come into the Dominion Police. This Act stipulates how they shall be taken over and provided for. Without doubt, this will cheapen the cost of administration. In saying this I do not want to cast any reflection on the efficiency or integrity of the Saskatchewan police, because I think it is important that any member of this House or the other should be careful not to reflect upon the administration of justice or any body constituted for that purpose. It has been deemed expedient to enter into an arrangement whereby this selected number of men should again become members of the Royal Canadian Mounted Police.

Hon. Mr. CASGRAIN: Am I right in thinking that the Federal Government will pay them? I suppose they were paid by the Provincial Government before.

Hon. Mr. WILLOUGHBY: Yes. The Provincial Government paid them before, and now we are to pay them.

Hon. Mr. DANIEL: Is this to authorize the Royal Canadian Mounted Police to take into their own body members of any provincial police force that they may wish to acquire? Does it give them compulsory power?

Hon. Mr. WILLOUGHBY: No. It is a matter of arrangement.

Hon. Mr. DANIEL: As the Bill reads, the Royal Canadian Mounted Police are authorized to take over any men that they may require at any particular time from a provincial police force, whether the provincial police are willing or not.

Hon. Mr. WILLOUGHBY: It enables them to take them over, but it does not make that compulsory.

Hon. Mr. BELCOURT: Is not the purpose of this amendment to provide for the recognition of the provincial officers who are being taken over, or who may be taken over, for the federal service?

Hon. Mr. GRIESBACH: I could not hear the question.

Hon. Mr. BELCOURT: I am asking my honourable friend whether the main purpose of this amendment is not to provide for recognition of prior services of provincial police who may be taken over by the Dominion police.

Hon. Mr. WILLOUGHBY: It will serve that purpose.

Hon. Mr. BELCOURT: As the Act now stands, I do not think the Dominion authorities are prevented from engaging men who have served in the provincial police; so the amendment is not required for the purpose of engaging such men. The only purpose of the amendment, that I can see, is that the prior services of members of the provincial police may be recognized when they are taken into the Dominion force.

Hon. Mr. WILLOUGHBY: That is certainly one of the objects of the Bill.

Hon. Mr. BELCOURT: It seems to me that it is the only object.

Hon. Mr. WILLOUGHBY: It is an important object, anyway.

Hon. Mr. DANDURAND: I was going to suggest that the federal authorities can always employ any old officials—

Hon. Mr. BELCOURT: Old or new.

Hon. Mr. DANDURAND: —old or new officials of any provincial government; but I appreciate that such legislation as this is necessary if upon their enlistment in the federal force their prior services are to be recognized by way of pensions. When it was my duty to bring similar legislation before the Senate I often had to rely upon my gallant friend from Edmonton (Hon. Mr. Griesbach), and the fact that he has not demurred to this legislation, so far as I have noticed, strengthens my opinion that it is worthy of approval.

Hon. Mr. LEMIEUX: Has the honourable gentleman any idea of the cost that this would entail? We are providing pensions for new-comers.

Hon. Mr. WILLOUGHBY: I have no figures on that.

Hon. Mr. GILLIS: In the early days, under agreement, the local Government paid $75,000 a year for the policing of the provinces of Saskatchewan and Alberta by the Royal Northwest Mounted Police. In later years a local force was organized in Saskatchewan and exercised authority. Four or five years ago the local Government made arrangements with the Federal Government to have the Royal Canadian Mounted Police do the policing of the province. At that time it was agreed that some of the provincial police should be absorbed into the Dominion force. Now the Royal Canadian Mounted Police have authority in the Province of Saskatchewan, and, I think, in Alberta as well.

Hon. Mr. DANDURAND: Can the honourable gentleman tell us whether the Provincial Government had a pension fund for their police? If they had, should not the accumulated receipts be transferred to the federal fund?

Hon. Mr. GILLIS: At first a pension was not provided for, but I think that later it was.

Hon. Mr. BELCOURT: I do not intend to oppose the Bill, but I think we should thoroughly understand what we are doing. Under this Bill pensions would be provided in respect of service rendered by those men under provincial jurisdiction.

Hon. Mr. WILLOUGHBY: Part of the time they undoubtedly were in the provincial service, but I presume that they all were formerly members of the Dominion force.

Hon. Mr. BELCOURT: They were in the provincial service for a number of years, and this Bill would give them a pension out of the federal fund in respect of those years.

Hon. Mr. GILLIS: But I think that the provincial police were responsible for the enforcement not only of the laws of the province, but also of certain federal laws. To that extent, therefore, they were acting for the Dominion as well as for the province.

Hon. Mr. CASGRAIN: Now that the provinces have their natural resources they should pay for their police, it seems to me.

Hon. Mr. GILLIS: They are paying. Under an agreement between the Federal and Provincial Governments the province is paying to the Dominion the full cost. As I have already stated, the amount paid to the Dominion in the first instance was $75,000 a year; that was when the Autonomy Bill was passed; but I think it is three times as large as that now.

Hon. Mr. LEMIEUX.

Hon. Mr. BELCOURT: Perhaps the honourable leader of the House would be willing that the Bill should go no farther than the second reading stage at present. He might then have an opportunity to get some information for us.

Hon. Mr. WILLOUGHBY: Quite willing.

Hon. W. A. GRIESBACH: The honourable leader on the other side (Hon. Mr. Dandurand) asked whether the police fund of the provinces should not be turned over to the federal fund. I think the point was well taken. If the provinces placed the accumulated receipts in their general revenue account, it is questionable whether this proposed legislation is fair to the Dominion. I suggest that the honourable leader of the Government in this House should make inquiries and give us the required information before we proceed further with the Bill.

Hon. Mr. FORKE: The second section of the Bill says that it shall be deemed to have come into operation on the 1st day of April, 1928. I am not sure, but it seems to me that the arrangement provided for in the Bill has been in force since 1928.

Hon. Mr. GRIESBACH: Yes.

Hon. Mr. WILLOUGHBY: Yes, the agreement between the governments.

Hon. Mr. GRIESBACH: As a matter of fact, I think these men, to the number of fifty-two, were absorbed in the Canadian Mounted Police force at the time it took over the policing of the provinces. I should like to know what happened—what was the arrangement—with respect to the accumulated pension fund of the Saskatchewan provincial police.

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

Hon. Mr. WILLOUGHBY: I shall get all the information I can before the Bill is brought before us for the third reading.

Hon. Mr. DANDURAND: Perhaps that information will be available at the committee stage.

Hon. Mr. GILLIS: Postpone the committee stage until the information is available.

Hon. Mr. BELCOURT: There may be no occasion to go into committee.

NORTHERN ALBERTA RAILWAYS BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 36, an Act respecting Northern Alberta Railways Company.

He said: Honourable senators, the purpose of the Bill is to extend for two years the time for the commencement and completion of certain extensions of the Northern Alberta Railways, the construction of which extensions was authorized in 1929. The Northern Alberta Railways Company is jointly owned by the Canadian Pacific Railway Company and the Canadian National Railway Company, which hold an equal interest. As honourable members will see, the Bill provides that "Northern Alberta Railways Company may within two years from the date of the passing of this Act commence to construct" and so on.

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

THIRD READING

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

Hon. Mr. LEMIEUX: Is this not the railway that was to be extended through Grande Prairie and to have an outlet in British Columbia? Was there not to be an arrangement between the Canadian National Railways and the Canadian Pacific Railway—

Hon. Mr. WILLOUGHBY: The railway is jointly owned and jointly operated, as I understand.

Hon. Mr. LEMIEUX: But was there not a provision for a delay of six months in the completion of that railway?

Hon. Mr. WILLOUGHBY: I think the Act does not provide that.

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

GOVERNMENT EMPLOYEES COMPENSATION BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 37, an Act to amend the Government Employees Compensation Act.

He said: Honourable senators, the purpose of this Bill is to amend the Act so as to make the benefits thereunder applicable to all Dominion Government employees except permanent members of the military, naval or air forces of Canada—for whom provisions are made under other statutes—and without regard to the department or branch to which the employee belongs, or the nature or class of work on which the employee is engaged. The amendment also provides that compensation shall include any benefits authorized under the provincial Compensation Acts. The present Act has been interpreted so as to exclude from its benefits many employees in certain provinces, although employees performing similar duties in other provinces receive such benefits. The proposed Bill will correct this situation. The amount required is estimated at about $70,000 a year. A Bill involving the same principle was endorsed last year, but did not find its way into the Statute Book, it being dropped, along with other legislation, in view of the approaching general election.

Hon. Mr. BELCOURT: Did I understand my honourable friend to give a figure as to the anticipated expenditure involved?

Hon. Mr. WILLOUGHBY: Yes; $70,000 a year.

Hon. Mr. BELCOURT: How can that be estimated now? This Bill applies to the Dominion the provisions of the different provincial enactments with regard to compensation to workmen.

Hon. Mr. WILLOUGHBY: Of course it could be only an estimate. You cannot tell what the compensation will be until the accident occurs.

Hon. Mr. BELCOURT: And there may be a far larger number of accidents than are anticipated. I do not see how an estimate can be made.

Hon. Mr. WILLOUGHBY: Life insurance companies estimate the death rate, and liability insurance companies make forecasts.

Hon. Mr. BELCOURT: It would be a pretty wild guess.

Hon. Mr. WILLOUGHBY: This has to be done on the same principle.

Hon. G. D. ROBERTSON: I might add that many Government employees have been covered, in case of accident, by provincial Compensation Acts. For example, Canadian National Railway employees on what were known as the Government Railways before the amalgamation were brought under the Workmen's Compensation Acts, and if injury or accident occurred to these men from their employment they were compensated by the Government on the same basis as employees of a private railroad were compensated. Gradually this principle has been extended to other employees in the public service, and the present Bill is to cover those who do not already come under the law.

Let me give a specific instance which will illustrate the point and perhaps justify the proposed action. In one of the large post

offices a machinist engaged when the new mechanical appliances for the automatic handling of postal matter were installed got caught in the machinery, consisting of pulleys and belts, and was very badly injured. If he had been engaged in an industrial plant or on a railroad, even a Government railroad, he would have been entitled to compensation under the law, but because he happened to be a post office employee, even though he was injured in the course of duty, he was deprived of this benefit.

The purpose of this Bill is simply to bring in all the employees of the Government who happen to be injured in the discharge of their duty, just as though they were engaged in any other industry.

Hon. Mr. BELCOURT: I am not at all opposed to the Bill. I know of a case in Ottawa where a furnace man—I think it was in the Printing Bureau—was totally blinded by the explosion of the furnace that he was attending, and never got any compensation.

Hon. Mr. ROBERTSON: The figure given as to the amount involved is surely an estimate based upon the experience of the branches of the public service that already come under the Act.

Hon. Mr. LEMIEUX: Has the honourable gentleman compared the Compensation Acts of the various provinces, and can he say whether or not they are the same? Is there not a danger that a Government employee in Ottawa might get more compensation for an accident than an employee in Quebec or New Brunswick would get for a similar accident? I am told that there is a considerable difference in the compensation allowances paid by the various provinces.

Hon. Mr. ROBERTSON: In times past that was quite true, as it is only recently that some of the provinces have enacted compensation laws; but, generally speaking, the laws of the various provinces—with the exception, I think, of Prince Edward Island, which has no such law—are fairly uniform. The Province of Quebec recently adopted a workmen's compensation law and set up machinery for its operation, and, while I do not think it is quite on a par with the laws of some of the other provinces, it approaches them very closely. Under this Act an employee in the Province of Quebec would, if he were injured, be entitled to the same compensation that he would receive if he had been engaged in that province by a private corporation.

Hon. Mr. GORDON: Has the honourable gentleman any idea as to the number of employees who would come under this provision?

Hon. Mr. ROBERTSON: I have not that information at hand, but I may say that such employees are not very numerous. On the basis of the cost of operation of the Act in relation to Government employees now covered by it, it is estimated that the total cost will not exceed $70,000.

Hon. Mr. BARNARD: This compensation is paid by the Dominion Government?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. BARNARD: So it has nothing to do with the funds of the workmen's compensation boards of the different provinces?

Hon. Mr. ROBERTSON: In case of injury they would assess the damage, just as they would in other cases coming under their jurisdiction, and the Government, being the employer, would pay the assessment.

Hon. W. E. FOSTER: Do the compensation boards of the respective provinces receive any recompense for handling these cases for the Dominion Government?

Hon. Mr. ROBERTSON: I would say that matter would come within the control of the provincial board.

Hon. W. E. FOSTER: In the case of the employees coming under this Bill the compensation boards of the respective provinces do not handle any money; as I understand it, they merely make the assessment, and it is paid by the Dominion Government. But do the compensation boards of the respective provinces receive anything from the Dominion Government for the work they perform? In an ordinary case, as the Minister of Labour knows, different classes of industries are assessed, and if an accident occurs within a certain class compensation is paid out of the assessment upon that class. The cost of administering the Act comes out of those assessments, supplemented sometimes by a contribution from the general revenue of the Provincial Government. The compensation boards are doing a certain amount of work for the Dominion Government by reason of the fact that they sit on these cases and make an assessment. Do the compensation boards receive anything for performing that service?

Hon. Mr. ROBERTSON: I cannot definitely inform my honourable friend as to that, but it is my impression that in his native province, for instance, where the employees of the

Government Railway were brought under the New Brunswick Workmen's Compensation Act, the Federal Government contributes the amount of the assessments that the provincial board deems necessary and proper to cover the cost not only of relief, but also of administration. The existing practice, whatever it is, will be continued, and will be extended to a few more employees who are not now covered by the federal Act. This will not change the situation in any way.

Hon. Mr. BELCOURT: It would be natural to expect the provincial boards to perform this duty without extra compensation. Whether the man is an employee of the Government or of a corporation does not make any difference.

Hon. Mr. GORDON: If I am not mistaken, the compensation board in Ontario is paid entirely out of funds collected from the employers. I think the work done by that board is among the best work done by boards of any description. The workmen's compensation legislation has been very beneficial. I think the measure before us is also a very good one, but I feel quite certain that within a short time the $70,000 mentioned will not be sufficient to meet the requirements, because I know of very small institutions in the Province of Ontario that are paying anywhere from $10,000 to $15,000 a year. I imagine that the number of employees included under this legislation must be very great, and that it will increase.

Hon. Mr. DANDURAND: Where will that figure of $70,000 to cover accidents each year be found? Will it be found in the Supply Bill or in the Act?

Hon. Mr. WILLOUGHBY: On what is it founded?

Hon. Mr. DANDURAND: My honourable friend says that the sum of $70,000 is provided for.

Hon. Mr. BELCOURT: No. He said it was the estimated cost.

Hon. Mr. DANDURAND: Oh, it is simply an estimate?

Hon. Mr. MacARTHUR: I suppose this will militate to a certain extent against the business of private companies.

Hon. Mr. ROBERTSON: No.

Hon. Mr. MacARTHUR: An employee of the Government is not precluded from taking accident insurance? Is any consideration given to the fact that employees may be heavily insured?

Hon. Mr. ROBERTSON: No.

Hon. Mr. MacARTHUR: They get the compensation just the same. Some of them will do very well.

Hon. Mr. LAIRD: They pay for it.

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

Hon. Mr. DANDURAND: Could my honourable friend fix the committee stage of this Bill for Wednesday next, so that we might have some time to examine it?

Hon. Mr. WILLOUGHBY: Wednesday.

Hon. Mr. BELCOURT: Since there is to be a postponement, perhaps my honourable friend could ascertain in the meantime whether the question of the services to be rendered by the provincial boards has been discussed between the Dominion Government and the provincial authorities. Possibly there should be some understanding or some agreement in regard to that.

Hon. Mr. ROBERTSON: I may inform my honourable friend now that the matter was carefully canvassed and that there was a conference, which I had the honour of attending, with the minister of another department, departmental officials, and the chairmen of the workmen's compensation boards in two large provinces, and that this legislation is the result of the agreement or understanding reached at that time.

Hon. Mr. BELCOURT: How many provinces were represented?

Hon. Mr. ROBERTSON: Two large provinces.

Hon. Mr. BELCOURT: Ontario and Quebec?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. DANDURAND: Those boards are maintained by the contributions of the various large corporations that employ labour.

Hon. Mr. ROBERTSON: They are maintained by the assessments issued by the board against the industries, and the Government under this Act is regarded as an industry.

Hon. Mr. BLACK: In the Province of New Brunswick we have what was formerly known as the Intercolonial Railway. In so far as our compensation board is concerned, that railway is regarded as an industry and is assessed in the same way as the lumbering industry or any other. The assessments are intended to cover not only compensation for injuries of employees, but also the administration of the Act from time to time, as the need is indicated by the number of accidents

in the various industries. I presume this legislation will work out in the rest of the Dominion in precisely the same way that it does in the Province of New Brunswick. We have accepted the principle of workmen's compensation, and it seems to me that by this Bill we are only extending it to certain classes that have not heretofore been included.

SALARIES BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 38, an Act to amend the Salaries Act.

He said: Honourable members this is a very simple Bill dealing with the salary of the Solicitor General. As you are aware, and as stated in the Salaries Act, the Solicitor General receives a salary of $7,000 a year. The object of this Bill is to increase his salary to $10,000 a year and put him on a parity with the ministers. The existing Act assigns to the Minister of Justice certain functions in connection with the reviewing of sentences, and so on; and I remember that when Hon. Mr. Doherty was Minister of Justice he told me that he had examined into a very large number of applications for commutation of sentence. Even yet it is within the scope of the Minister of Justice to examine such applications at any time. As a matter of practice, however, this most onerous duty is performed by the Solicitor General. The scale of salaries has risen since the salary of the Solicitor General was fixed, and the addition of $3,000 to bring his salary up to $10,000 does not seem unreasonable when one remembers that at all times he is doing a most important kind of legal work. He is the right-hand man of the Minister of Justice; in fact his substitute, I imagine, in many matters.

Hon. Mr. LEMIEUX: As I stated previously this afternoon, I held the office of Solicitor General in a former Government. The Right Hon. Mr. Meighen was the first Solicitor General to be raised to the dignity of a Privy Councillor, and at that time the salary was increased from $6,000 to $8,000. Later on, the present Minister of Justice, Hon. Mr. Guthrie, was also made a Privy Councillor at the time he became Solicitor General, and so was the Hon. Mr. Cannon, although there is nothing in the statute that requires this to be done.

Every year that Mr. Cannon was Solicitor General the sum of $3,000 was voted to him in addition to his salary of $7,000. This Bill provides that in future the regular salary attaching to the office shall be $10,000. As the honourable leader of this House has stated, the Solicitor General has important duties to perform. Not only does he have to look after the numerous petitions under the Ticket of Leave Act, to which reference was made a little earlier, but he represents the Crown, the Government of Canada, before the courts of the land. He appears before the Privy Council in England, the Supreme Court of Canada and other courts.

Hon. Mr. LYNCH-STAUNTON: Does he ever do that?

Hon. Mr. LEMIEUX: Oh, yes. When I was Solicitor General I had the honour of appearing in four cases before the Privy Council; and Mr. Cannon appeared before the same body two years ago in an important case.

Hon. Mr. LYNCH-STAUNTON: But is it not an exception to the rule for a Solicitor General to appear in the courts?

Hon. Mr. LEMIEUX: It should not be an exception to the rule.

Hon. Mr. LYNCH-STAUNTON: But is it not?

Hon. Mr. LEMIEUX: I am not sure whether Mr. Meighen, when he held the office, went before the Privy Council: he was not long at the post before his great ability earned him promotion. But Mr. Guthrie went over to the Privy Council. Because part of the time of the Deputy Minister of Justice is taken up in appearances before the Supreme Court, he is given a higher salary than other deputy ministers; and consideration should be given to the value of the service that the Solicitor General renders in performing similar duties.

Hon. Mr. DANDURAND: I was under the impression that when a Solicitor General was called to the Privy Council he automatically became entitled to the same salary as his colleagues, and I did not know until now that $3,000 of the salary was voted annually. This Bill will put the whole salary on a statutory basis. I may say that I know the Solicitor General has frequently appeared before the Exchequer Court as well as before the Supreme Court.

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

THIRD READING

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

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

PRIVATE BILL

SECOND READING

Hon. Mr. MURPHY moved the second reading of Bill C, an Act to incorporate Acme Assurance Company.

He said: Honourable senators, the honourable gentleman in whose name this Bill stands (Hon. Mr. Horsey) has been called to a meeting of one of our committees, of which he is a member, and before leaving he asked me to move that the Bill be read the second time and referred to the Committee on Banking and Commerce.

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

PRIVATE BILL

SECOND READING

Bill D, an Act respecting the Algoma Central and Hudson Bay Railway Company.—Hon. Mr. Copp.

REFERRED TO COMMITTEE

Hon. Mr. COPP moved that the Bill be referred to the Committee on Banking and Commerce.

Hon. Mr. BELCOURT: It will have to go to the Railway Committee.

Hon. Mr. COPP: I beg my honourable friend's pardon, but the Bill concerns a financial arrangement and will have to go to the Banking and Commerce Committee.

Hon. Mr. DANDURAND: The point is not a simple one, and we might as well clear it up now. It is true that the Bill deals with a railway matter, but the honourable gentleman from Westmorland (Hon. Mr. Copp) has said that, as it has to do with financial arrangements, it should be sent to the Committee on Banking and Commerce. We must consider the question carefully, because our decision will create a precedent.

Hon. Mr. LEMIEUX: I understand from an advertisement that I saw in one of the papers not long ago that this railway is one of the assets of the Soo industries.

Hon. Mr. COPP: Personally I have no information. I happen to be a room-mate of the right honourable senator from Eganville (Right Hon. Mr. Graham), and I know that the promoters of the Bill called on him. Before he went away he asked me to move that the Bill be referred to the Committee on Banking and Commerce, because it is exclusively concerned with a financial arrangement among the Algoma Central and Hudson Bay Railway Company, the Algoma Central Terminals, Limited, the holders of the first mortgage bonds of both these companies, and the Lake Superior Corporation.

Hon. Mr. WILLOUGHBY: The solicitors for the promoters of the Bill came to see me and said they wanted it to go to the Committee on Finance. I said to them, "You mean the Railway Committee," and they said, "No, the Committee on Finance." That is all I know about it. Is the honourable member from Westmorland (Hon. Mr. Copp) confusing the Finance Committee with the Committee on Banking and Commerce?

Hon. Mr. COPP: I thought the Banking and Commerce Committee was the same as the Finance Committee.

Hon. Mr. WILLOUGHBY: No; we have a Committee on Finance. I remember the appearance before it of some railway magnates, who made representations concerning the Canadian Pacific Railway and the Canadian Northern Railway. The committee inquired into the subject and reported to the House.

Hon. Mr. DONNELLY: It seems to me that this matter should be determined by the Senate and not by the promoters of the Bill. My experience has been that railway bills are sent to the Railway Committee. Should that committee at any time report that it is unable to deal properly with any bill referred to it, the bill could then be referred to another committee.

Hon. Mr. BLACK: I was spoken to about this Bill, but I should like it understood that I am not soliciting it for the Banking and Commerce Committee, of which I am Chairman. That committee does not want to consider anything that should not be referred to it. The right honourable gentleman who is sponsoring this Bill, and who is, I think, the new Chairman of the Railway Committee (Right Hon. Mr. Graham), said to me that while it might appear to be a railway bill, it was really not so, except in so far as it concerned a re-financing arrangement. He considered it to be purely a financial bill, and said, "Therefore you may expect it to come before your committee." A day or two afterwards, the solicitors of one or more of the companies interested in this re-financing—for that is what it is—went over their proposals with me. That is all I know about the question, and I state it for what it is worth.

Hon. Mr. WILLOUGHBY: I think the Bill should be sent to the Committee on Banking and Commerce.

Hon. Mr DANDURAND: I have not a copy of the Senate Rules at hand. I have inquired of the Clerk of the House whether there is any one committee to which we are obliged to send the Bill. His opinion is that we can send it to the Banking and Commerce Committee if we so desire, or to the Railway Committee. I will not object to sending it to the Banking and Commerce Committee. If only a financial matter is involved, perhaps that would be the better thing to do; but that committee may report, after hearing the parties interested, that the Bill should be sent to the Railway Committee.

Hon. Mr. LYNCH-STAUNTON: Will the honourable gentleman explain why he thinks that simply because the Bill deals in part with financial arrangements it is a proper bill for the Committee on Banking and Commerce?

Hon. Mr. DANDURAND: Is it not the proper function of the Committe on Banking and Commerce to examine into financial matters?

Hon. Mr. LYNCH-STAUNTON: Every railway bill that comes before us contains some clause regarding finances.

Hon. Mr. DANDURAND: Every railway bill has some provision for the issuance of bonds, or some such thing. I have not looked at this Bill, but the explanations I have heard indicate that it concerns a financial scheme respecting two or three railways.

Hon. Mr. BELCOURT: It is true that the Bill deals with a financial matter, but in connection with a railway. I cannot see why the Bill should not go to the Railway Committee. If we send it to any other committee we shall be creating a precedent that may cause trouble: on the slightest pretext other railways will be asking us to send their bills to various committees.

Hon. Mr. LAIRD: When an application for a railway charter is received by this House it is invariably referred to the Railway Committee, although every such application contains some clause referring to financing. If later on there is a proposal to vary the financial terms, the logical committee to consider the matter is the committee that dealt with the original application. I notice that section 4 of this Bill, on page 6, provides that the Railway Act shall apply, and that nothing in the Bill shall restrict the powers of the Board of Railway Commissioners. Now, what has the Committee on Banking and Commerce, or the Committee on Finance, to do with such matters? It seems to me that this Bill should logically be sent to the Railway Committee.

Hon. Mr. BEIQUE: I agree entirely with the remarks of the last two speakers. I think the Bill should be sent to the Railway Committee.

Hon. Mr. DONNELLY: Hear, hear.

Hon. Mr. BEIQUE: Most railway bills deal with financial matters, and I do not think this is an exception.

Hon. Mr. COPP: The purpose of this Bill is not to provide for the financing of a railway. From what I have heard, it is a matter entirely for the Committee on Banking and Commerce. This particular financing has nothing to do with the building of lines, or anything of that kind. The Bill simply confirms a financial arrangement made by a railway company and some other parties in regard to certain bonds. As I said before, the right honourable gentleman in whose name the Bill stands (Right Hon. Mr. Graham) asked me to move that it be referred to the Committee on Banking and Commerce. If after due consideration that committee should find it is unable to deal with the measure, then the House could send it to any other committee.

The motion of Hon. Mr. Copp was agreed to: contents, 18; non-contents, 17.

HOSPITAL SWEEPSTAKES BILL

SECOND READING

Hon. Mr. BARNARD moved the second reading of Bill E, an Act respecting Hospital Sweepstakes.

He said: Honourable members, the object of this Bill is to make it legal to conduct in the various provinces sweepstakes of which the profit, or portions of the profit, are to be devoted to the benefit of hospitals. The sweepstakes are to be conducted under regulations framed by the Attorneys-General of the provinces in which they are held, and are not to be carried on in any province without the consent of the Attorney-General of that province.

I may say that in the Province of British Columbia the finances of the hospitals are in a deplorable condition. The general hospitals there have three definite sources of revenue: per capita grants from the Government according to the number of patients; municipal grants, when the hospital is situated in a municipal district; and moneys received from pay-patients. The hospital in my own city,

in making application for further aid from the Government and the municipality, stated that it was able to collect only from forty to fifty per cent of the supposedly payable accounts. The result of such a condition is that nearly every hospital of any size in the province is constantly incurring annual deficits. Heretofore when deficits got so large that the tradespeople became restive and began demanding their money, the hospitals were able to go to either the Provincial Government or the municipal authorities and get further aid, or by making a drive on the public to raise funds sufficient to wipe out their deficits and start them off with a clean slate. Conditions to-day, however, are such that it is practically impossible to get any further aid from the municipalities or the Government. Both are sorely pressed for money. It is equally difficult to collect large sums from the public.

The method proposed in this Bill would undoubtedly provide ample moneys to keep the hospitals going and enable them to function efficiently. Editorials in certain newspapers in reference to proposals that have been made along the lines of this Bill have suggested that a practice of this kind would encourage gambling on the part of the public. I think, however, that if the public want to have a little flutter they are going to have it.

There is nothing very new in this Bill. This Parliament has legalized betting on horse-races, and, in fact, the Government derives a certain revenue from the betting on race-tracks. I have noticed also that while there is a clause in the Criminal Code that prohibits the holding of lotteries, there is an exemption in the case of lotteries for small prizes at church bazaars. That is a small matter, perhaps, but it establishes the principle.

It is a fact well known to every member of this House that thousands of dollars go out of this country every year for sweepstake tickets. We have had the Irish sweepstake, the London Stock Exchange sweepstake and the Calcutta sweepstake—and I may say I have had tickets for most of them. I can see absolutely no reason why that money should not be diverted and used locally to enable our hospitals to function without being hampered by lack of funds in the good work they should be doing.

Hon. Mr. LYNCH-STAUNTON: Honourable gentlemen, I wish to say a word in support of this Bill. I suppose that people with ultra-moral feelings will look upon this Bill as one that proposes gaming. I do not think the mover has any reason to apologize for introducing it. There is nothing in the Bill that is offensive to morals or religion. It contains no principle that is not now recognized by law and practised by nearly everybody. Gaming, of course, is anathema to some people on religious grounds, and it is anathema to others on grounds of prudence. A man may gamble to his heart's content on the stock exchange, and nearly all do so. There is a statutory provision which makes margin trading lawful, though, as everybody knows and admits, margin trading is plain, unadulterated gaming. Any man may stake money in a wager on a game of cards or any other event if he chooses, as long as there is no third party to profit by it. All that our gaming laws do is to prohibit a "rake-off," if I may use that expression, by a third person. No law that I know of interferes with my right to gamble, my right to stake my money on any event I choose, unless some person or other is making a profit on the side.

What is wrong with gambling? To my mind, to my perhaps muddled intellect, there is no harm morally in a man wagering anything that he can afford. The vice in wagering is in venturing an amount that he cannot afford to lose, or the loss of which may cause misery to his family or misfortune to himself.

Hospitals are most necessary. In these modern times the cost of maintaining efficient service in hospitals is exceedingly high; and when the people are called upon to pay enormous taxes for all kinds of things—as they are in every part of Canada—they cannot afford to keep up the hospitals; or else the politicians cannot afford to make them do so.

Now, if I subscribe to a hospital, what is wrong about the hospital authorities allowing a discount on my promise to pay? What does the Bill mean? If they sell a thousand tickets at $5 apiece they will have $5,000; and if I subscribe they will give a discount, but they will pay it on the total amount to two or three or more persons. That is all it means. They could give the discount to each person who subscribed, or they could divide it among those holding certain tickets. Where is the gaming in that? I cannot see any. If I pay my taxes promptly I am given a discount of 5 per cent. If I go in on a Monday I get the discount; but if I do not go in until Tuesday I do not get it. Is there not as great an element of gaming in that as there is in what is proposed here?

I submit, honourable members, that this is a praiseworthy Bill; it should be adopted, because it has merit; it can do nobody any

harm, and it will do suffering people much good.

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

REFERRED TO SPECIAL COMMITTEE

Hon. Mr. BARNARD: I move that this Bill be referred to a special committee—

Hon. Mr. DANIEL: Why a special committee? What is the matter with the Committee on Miscellaneous Private Bills? It is a standing committee.

Hon. Mr. BARNARD: It is too big.

Hon. Mr. LACASSE: Third reading!

Hon. Mr. BARNARD: I move that the Bill be referred to a special committee consisting of Hon. Messrs. Belcourt, Foster, Lynch-Staunton, Griesbach, Sharpe, and the mover.

Hon. Mr. TANNER: Why could we not give the Bill the third reading now?

Hon. Mr. BARNARD: I am quite agreeable to that.

The Hon. the SPEAKER: It has been moved that this Bill be referred to a special committee composed of Hon. Messrs. Belcourt, Foster, Lynch-Staunton, Griesbach, Sharpe and the mover.

The motion was agreed to.

Hon. Mr. LAIRD: Is that Sir George Foster?

Right Hon. Sir GEORGE E. FOSTER: I heard the name, but I respectfully submit that it is my honourable friend across the way (Hon. W. E. Foster). He can give to this measure a support that I could not give it.

The Hon. the SPEAKER: The name is the Hon. Senator Foster, Saint John.

PRIVATE BILL

SECOND READING

Hon. Mr. GORDON moved the second reading of Bill F, an Act respecting the Canadian Woodmen of the World.

He said: Honourable members, the Canadian Woodmen of the World feel that under the existing Act they are prevented from allocating their surplus funds in the best interests of their policyholders, who are really the shareholders and owners of the organization, and in consequence they ask for this amendment.

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

The Senate adjourned until Tuesday, May 12, at 8 p.m.

Hon. Mr. LYNCH-STAUNTON.

THE SENATE

Tuesday, May 12, 1931.

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

Prayers and routine proceedings.

COAL IMPORTS AND DUTIES

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. What was the amount, if any, of duty refunded on coal imported from the United States of America during the years 1929 and 1930?
2. What was the total amount of duty collected on coal imported from the United States of America during the same years?
3. What was the amount of duties collected on coal imported from Russia?
4. What was the number of tons of coal imported from Russia during the same years?

Hon. Mr. WILLOUGHBY:

1. No separate records kept in respect of materials on which refunds are granted.
2. Fiscal year ended March 31, 1930—$6,882,281.50. Fiscal year ended March 31, 1931—$6,427,272.
3. No duties collected on imports of coal from Russia, fiscal years 1930 and 1931.
4. Fiscal year ended March 31, 1930—114,724 tons. Fiscal year ended March 31, 1931—284,271 tons.

Hon. Mr. CASGRAIN: By leave of the House, I should like to ask why duties are not collected on coal from Russia. The honourable gentleman might inquire of the Government, because it is important that this House should know why Russia should be able to send coal into this country free when other countries are paying duty.

Hon. Mr. WILLOUGHBY: It is anthracite.

Hon. Mr. CASGRAIN: There is soft coal too.

Hon. Mr. WILLOUGHBY: The honourable gentleman may have some knowledge that is not communicated to me. There is no duty on hard coal.

Hon. Mr. McMEANS: Not on hard coal from the United States?

Hon. Mr. WILLOUGHBY: I believe not.

Hon. Mr. McCORMICK: I believe that the coal imported from Russia is all anthracite, and therefore there is no duty.

HOSPITAL SWEEPSTAKES BILL

ADDITION TO SPECIAL COMMITTEE

Hon. Mr. BARNARD: With the leave of the Senate, I move:

That the names of the honourable Senators Bourque, Bureau, Logan, MacArthur and Ross be added to the list of members of the Special Committee to whom was referred Bill E, an Act respecting Hospital Sweepstakes.

I think it is desirable that there should be, if possible, a representative of every province.

The motion was agreed to.

PRIVATE BILL

SUSPENSION OF RULES

Right Hon. Mr. GRAHAM: Honourable members, with the leave of the Senate, I wish to move:

That Rule 119 be suspended in so far as it relates to the Bill entitled "An Act respecting the Algoma Central and Hudson Bay Railway Company."

That rule requires that notice of a Bill of this nature be posted for a certain period after reference by the House before the Bill can be considered by the committee. It is possible that the committee will not be sitting on Thursday next, and this motion would allow the committee to take up the Bill on Wednesday.

The motion was agreed to.

ROYAL CANADIAN MOUNTED POLICE BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Willoughby, the Senate went into Committee on Bill 29, an Act to amend the Royal Canadian Mounted Police Act.

Hon. Mr. McLennan in the Chair.

Hon. Mr. DANDURAND: May I ask my honourable friend whether a pension fund was accumulated while the provincial police force was in existence—

Hon. Mr. WILLOUGHBY: No.

Hon. Mr. DANDURAND: —and whether it has been transferred to the federal authorities?

Hon. Mr. WILLOUGHBY: There was no fund at all. I have the agreement made between the Government of Saskatchewan and the Dominion Government for the taking over of the force—the four officers and the fifty-five men. As I say, there was no pension fund in Saskatchewan, but under this agreement the Saskatchewan Government is paying to the Dominion Government whatever is necessary to cover the period of service of those men in Saskatchewan, to supplement the pension that they will earn in the Dominion service; and the Dominion Government obligates itself to keep, I think, about 220 men in Saskatchewan.

Hon. Mr. BELCOURT: Is that part of the agreement?

Hon. Mr. WILLOUGHBY: Yes. The agreement deals with various phases and is quite a long one. The bluebook is accessible to any honourable member who desires it.

Section 1 and 2, the preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

ARMISTICE DAY BILL

SECOND READING

Hon. W. A. GRIESBACH moved the second reading of Bill 8, an Act to amend the Armistice Day Act.

He said: Honourable senators, after this Bill has been given second reading, I shall move that it be referred to the Committee on Miscellaneous Private Bills.

Right Hon. Mr. GRAHAM: May I ask what would happen if the 11th of November came on a Sunday?

Hon. Mr. GRIESBACH: I have not been fully instructed as to the Bill, but I am told that if the 11th came on a Sunday there would be no holiday on the following day. The 11th would be observed if it fell on any other day than Sunday.

Hon. Mr. BELCOURT: What is the object of the Bill?

Hon. J. STANFIELD: Honourable members, as it is proposed to refer this Bill to the Committee on Miscellaneous Private Bills, perhaps I should state now that I intend to move an amendment—

Hon. Mr. DANDURAND: Before the honourable gentleman speaks on his amendment, will the honourable member who is sponsoring the Bill explain to us the reason for the change?

Hon. Mr. GRIESBACH: The purpose of the Bill is to insure that November 11 shall be observed as a holiday, so that those who desire to engage in exercises suitable to the day may be able to do so without interference from their employers. Furthermore, the Bill provides that the 11th of November shall be known as Remembrance Day, instead of Armistice Day, as at present. As honourable members will observe, the first clause of the Bill provides for the repeal of sections 2 and 3 of the Armistice Day Act. I am instructed that in the future, if this amendment is passed, Thanksgiving Day will be proclaimed by the Governor in Council, as was done prior to the passing of the present Act some years ago. I understand that my honourable friend from Colchester (Hon. Mr. Stanfield) has an important amendment to offer, and I intend to move that the Bill be referred to the Committee on Miscellaneous Private Bills so that there may be an opportunity to hear witnesses, if necessary, and thresh out the whole question.

Hon. J. STANFIELD: Honourable members, I think I should offer a brief explanation of the amendment that I intend to move, so that the honourable members who, like myself, are not on the Committee on Miscellaneous Private Bills may know what I am proposing. Honourable members who are connected with any industry know that holidays result in seriously reducing production. As the law now stands, Thanksgiving Day is observed on the Monday of the week in which the 11th of November occurs. That means that under the present Act, Thanksgiving Day this year would be on the 9th of November. If this Bill passed, the 11th, which is the following Wednesday, would also be a holiday, and, as Saturday is only a half day in most industries, the employees would be off work two and a half days that week.

Hon. Mr. POPE: And Sunday would make it three and a half.

Hon. Mr. STANFIELD: What would happen? It is my observation that when Monday is a holiday many employees take advantage of the opportunity provided by the long week-end to visit relatives or friends who live at a distance. Now if Wednesday also were a holiday they would say, "What is the use of going back for Tuesday?" The result would be a great curtailment of production and a consequent increase in overhead costs, which, in the present conditions, are already very high. I therefore intend to move as an amendment, at a later stage:

That the following be added at the end of the Bill, as clause 3:

3. The holiday commonly called Thanksgiving Day, being a day usually appointed by proclamation as a day of general thanksgiving to Almighty God, shall whenever appointed be proclaimed and observed for and on Remembrance Day.

That would mean one holiday instead of two.

Hon. Mr. McMEANS: But is that not the law now?

Hon. Mr. STANFIELD: No.

Hon. Mr. GRIESBACH: No.

Hon. Mr. McMEANS: I must confess I do not understand it.

Hon. Mr. STANFIELD: The law at present is that Thanksgiving Day shall be the Monday of the week in which the 11th of November occurs. For example, the 11th of November this year falls on a Wednesday, and the Monday of that week is the 9th.

Hon. Mr. BELCOURT: But there is only one holiday now.

Hon. Mr. STANFIELD: This Bill would make two.

Hon. Mr. BELCOURT: I know.

Hon. Mr. McMEANS: Section 3 of the present Act reads:

The holiday commonly called Thanksgiving Day, being a day usually appointed in the month of October or November by proclamation as a day of general thanksgiving to Almighty God, shall whenever appointed be proclaimed and observed for and on Armistice Day.

The Bill would repeal this clause. I do not quite understand it, and I should like some explanation.

Hon. Mr. GRIESBACH: Some years ago Parliament passed a law to the effect that the Monday in the week in which the 11th day of November occurs should be a holiday, to be known as Armistice Day, and that Thanksgiving Day should be celebrated on the same holiday. The purpose of the present Bill is to repeal that legislation and to provide that Armistice Day, to be known in the future as Remembrance Day, shall be kept and observed on the 11th of November. But there is no provision with respect to Thanksgiving Day, and my understanding is that the date for that holiday will be fixed in the future as it was before the present Act was passed, by proclamation by the Governor in Council. As the honourable gentleman from Colchester (Hon. Mr. Stanfield) says, there will be two holidays. He brings forward a very cleverly worded amendment which puts everything back almost where it was before; but not quite, because under the

amendment which he proposes Thanksgiving Day will be observed on the 11th of November, which will be Armistice or Remembrance Day. But I think it should be provided in the amendment that if November 11 falls on a Sunday the day following shall be Thanksgiving Day, so that the holiday may not be lost altogether.

I am asking that the Bill be referred to the Committee on Miscellaneous Private Bills in order that I may have an opportunity to receive further instructions from the promoters of the Bill as to whether or not the amendment is acceptable. The basic demand is that the men who so desire shall be free to observe Armistice Day on November 11. My honourable friend proposes to make that Thanksgiving Day as well, and if there is no objection to that amendment, everybody will be quite happy.

Right Hon. Mr. GRAHAM: Honourable members, perhaps it is well to recall how Thanksgiving came to be fixed on Monday. The travelling men of Canada were unanimous in asking that that day be appointed, the reason being that they returned to their homes on Friday and could remain there until the following Monday evening or Tuesday morning. Otherwise they would be sent out on the road on Monday morning and might find themselves idle, as well as absent from home, on Thanksgiving Day. I suggest that we should not change Thanksgiving Day from Monday hurriedly without consulting the travellers of Canada, who were very insistent on the arrangement that was made. Personally I am inclined to think that Remembrance Day is important enough to have a day to itself.

Hon. Mr. CASGRAIN: Honourable members, first, would it not be possible to have Remembrance Day on Thanksgiving Day? After all, if there is one thing we all thank the Lord for, it is the end of the war, and what time could be more fitting for this than Thanksgiving Day? Then, on the 1st of November forty per cent of the population of Canada, the Roman Catholics, cannot work. They have no choice, for it is All Saints' Day, a feast of obligation. Could there be a better day on which to thank the Lord than when you are celebrating the feast of all the saints —St. Andrew and St. Patrick and all of them? We have heard a great deal about the Bonne Entente. Here is a fine opportunity to make it a reality when all these people are in conscience bound not to work. We have to close our offices that day.

Hon. Mr. DANDURAND: My honourable friend is in church the whole day.

Hon. Mr. CASGRAIN: I go there more than the honourable gentleman does.

Hon. Mr. STANFIELD: That is not saying very much.

Hon. Mr. McMEANS: The honourable gentleman is a bigger sinner, I suppose.

Hon. Mr. CASGRAIN: The honourable member from Colchester (Hon. Mr. Stanfield) says very truly that a holiday in the middle of the week disorganizes business—and some people, having celebrated the holiday too well, do not turn up the following day. But as to the 1st of November we have no choice. It is very hard to change the Pope at Rome. The Anglican Church also celebrate All Saints' Day. On that day we join with the saints in Heaven, where we all hope to go soon.

Right Hon. Mr. GRAHAM: Not too soon.

Hon. Mr. CASGRAIN: So would it not be a good thing on All Saints' Day to celebrate Thanksgiving Day and Remembrance Day?

Hon. Mr. DANDURAND: I do not agree with my honourable friend's argument.

Hon. Mr. CASGRAIN: The honourable gentleman never does.

Hon. Mr. DANDURAND: I seldom do. Here is a proposal to alter the name of Armistice Day to Remembrance Day, and to celebrate it on the 11th of November. We all know why that date is chosen. My honourable friend has mentioned the 1st of November, but if the law were left as it is, the day fixed would fall much nearer the 11th of November, because it would be within the same week. In the law as it stands the Governor General was deprived of his discretion in proclaiming Thanksgiving Day, and Parliament expressed the desire that there should be but one holiday, a Monday, on which to celebrate Thanksgiving Day and Armistice Day; and it need not be the 11th of November unless that date fell on a Monday. My honourable friend from Colchester (Hon. Mr. Stanfield) proposes that Thanksgiving Day, instead of being necessarily a Monday, should be observed at the same time as Remembrance Day, on the 11th of November. It seems to me that his amendment is in conformity with the opinion of Parliament that there should be but one holiday, and also with the desire of many people in this country, not only returned soldiers, that the 11th of November should be the Day of Remembrance. Until I obtain more light on the subject I am disposed to accept the Bill of my honourable friend from

Edmonton (Hon. Mr. Griesbach) with the amendment of my honourable friend from Colchester (Hon. Mr. Stanfield).

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

PRIVATE BILL

FIRST READING

Bill 23, an Act respecting the Essex Terminal Railway Company.—Hon. Mr. Lacasse.

MOTION FOR SECOND READING

Hon. Mr. LACASSE: I move the second reading of the Bill.

Hon. Mr. McMEANS: Should not the rule be suspended first?

Hon. Mr. ROBERTSON: Has the Bill been distributed?

Hon. Mr. WILLOUGHBY: No. We cannot have the second reading until the Bill has been distributed.

The motion was withdrawn.

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

THE SENATE

Wednesday, May 13, 1931.

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

Prayers and routine proceedings.

VENTURA DIVORCE PETITION

REPORT OF THE COMMITTEE—DEBATE ADJOURNED

Hon. L. McMEANS moved:

That the twenty-second report of the Standing Committee on Divorce be referred back to the said committee, with instructions to take no further action in the matter of the petition of Mary Ann Ventura, praying for a Bill of Divorce.

He said: Honourable members, this report deals with a case in which there are special circumstances. Last year Parliament passed an Act conferring on the courts of the Province of Ontario jurisdiction to try divorce cases, and the petition referred to in this report is the first one that we have received from Ontario since then. The question that has to be decided is whether the Senate will entertain a petition for divorce presented on the usual grounds by a person who is now domiciled in Ontario. There is no doubt that we have the right to receive such a petition and deal with it in the Divorce Committee, just as there is no doubt that any citizen of Canada has the right to petition Parliament for any legal purpose whatsoever. The jurisdiction that we conferred upon the courts of Ontario did not take away our own jurisdiction. Another point that is worthy of consideration is that perhaps it is much more convenient for people residing in the city of Ottawa, or in other parts of Eastern Ontario, to bring divorce petitions to the Senate rather than to take them to the courts. The Committee on Divorce desires to have the judgment of the Senate on this question, and with a view to bringing it properly before the House I am making this motion. I should like honourable members to give the question their serious consideration, because the issue is an important one. It is not my desire that any citizen should be deprived of the right to petition this House or the other, for any legal purpose, but I feel that one of our reasons for conferring divorce jurisdiction upon the Ontario courts was that this House might be relieved of the numerous petitions that were being filed from Ontario. The petitioner in the present case has been living in Montreal for about sixteen years, but the marriage took place in Ottawa, a child was born here, and the husband has continued to live here ever since. I should like to explain that my reason for making the motion is not to give expression to my opinion at all, but simply to have the matter discussed in the House.

Right Hon. Mr. GRAHAM: Where does the petitioner live?

Hon. Mr. McMEANS: She has been living in Montreal for about sixteen years, but the couple were married in Ottawa and the husband has always lived in Ottawa. The domicile of the woman is in Ottawa, because her domicile in law is the same as her husband's.

Hon. Mr. DANIEL: Who is the petitioner?

Hon. Mr. McMEANS: The wife.

Hon. Mr. TANNER: Under the rules of the court, must a divorce petitioner who lives in Ottawa go to Toronto? Must the trial take place there?

Hon. Mr. DANDURAND: I should like to know what the committee's report is.

Hon. Mr. McMEANS: There is no recommendation to adopt.

Hon. Mr. BEIQUE: I understand the honourable gentleman's motion is an amendment to the report.

Hon. Mr. McMEANS: No. We make a report, but it does not recommend the taking of any action with respect to the petition. We simply place all the facts before the Senate, in order that the matter may be properly discussed.

Hon. Mr. GRIESBACH: Is the committee aware of any reason why the parties should not have proceeded before the courts of Ontario? Why do they come before this committee?

Hon. Mr. McMEANS: I understand the solicitor who filed the petition was under the impression that he could apply to the Senate of Canada as well as to the courts of Ontario, and I fancy he thought it would be less expensive to have the Senate deal with the case. That is the only reason that I know of. The present proposal would work a great hardship on the petitioner, because she has gone to the expense of filing her petition, employing a solicitor, and bringing her witnesses here.

Hon. Mr. GRIESBACH: What is the hardship?

Hon. Mr. McMEANS: After having employed a solicitor, prepared the case and brought her witnesses here, to be met with the objection that she should have gone elsewhere. It is just a question whether this House thinks that we have any right at all to refuse to consider the petition. We have the right to try it, and we are ready and willing to try it, but we do not feel inclined to create a precedent and open the door to all other applicants unless the Senate instructs us to do so.

Hon. Mr. FORKE: Has no precedent ever been created by a case coming from any of those provinces that have the privilege of dealing with divorce?

Hon. Mr. McMEANS: I believe that four or five years ago, for some peculiar reason, with which I am not familiar, we had a case from British Columbia, although that province had a divorce court. This is the first case from Ontario since Ontario has had jurisdiction in divorce.

Hon. R. DANDURAND: When I came to the Senate, some thirty-three years ago, I asked my seniors of the same faith as myself what was their tradition in regard to divorce, and I was told that Catholics uniformly refrained from voting on such questions. As I have refrained from reading the evidence in divorce cases, I have not qualified myself to discuss them; but academically, and beyond the question of divorce, there is involved the right of the citizen under the Canadian constitution to petition Parliament. My honourable friend speaks of the legislation that has given the courts of Ontario jurisdiction in this matter. What applies to Ontario may apply also to the other provinces, and therefore I think—although I do not know that I shall participate in the vote—that the Senate, before deciding the question, might well discuss it from the constitutional viewpoint. All the provinces have their courts—

Hon. Mr. BEIQUE: Quebec has none.

Hon. Mr. DANDURAND: All the provinces but Quebec; but, under our constitution, that does not mean that the door of Parliament is closed against all petitioners from those provinces.

Right Hon. Sir GEORGE E. FOSTER: Honourable members, it does not seem to me that the motion of the honourable gentleman from Winnipeg (Hon. Mr. McMeans) provides just the right method of coming to a decision on this point. If we vote to send the report back we are asserting the opinion that, either as a matter of law or as a matter of policy, this woman has no recourse here. I do not think that we, a body of laymen, are a very good tribunal to decide as to the rights of the individual from a legal or constitutional point of view. It seems to me that we should refer this question to a committee of the legal gentlemen of this Chamber, or to our law department, in order to find out what legal principles are involved. This is a matter upon which our law officers ought to have something to say. If a private citizen has the right to appeal to the Crown for the remedying of a grievance, it is rather difficult for us, as the medium through which he approaches the Crown, to say that as a matter of policy we will not hear his petition. I should think that instead of trying to arrive at a decision by an all-round discussion it would be better to get this matter before the legal authorities, either by referring it to a special committee composed of the legal members of this Chamber, or by asking the Minister of Justice for his opinion on the legal rights in the case.

Hon. Mr. CASGRAIN: Has not the Senate the right to refer a case like this to the Supreme Court of Canada?

Right Hon. Sir GEORGE E. FOSTER: Do we need to do that?

Hon. Mr. BEIQUE: I think that the Senate has to consider merely a question of policy, and that the suggestion of the right honour-

able gentleman (Right Hon. Sir George E. Foster) to refer the matter to a committee is a proper one. The committee might examine the question whether, in view of the Act creating a tribunal in Ontario, an application of this kind should be dealt with here.

Hon. Mr. DANDURAND: Or an application from one of the other provinces.

Hon. J. J. DONNELLY: Honourable members, this question does not appear to me as it does to my right honourable friend who sits in front of me (Right Hon. Sir George E. Foster). I think that Parliament undoubtedly has jurisdiction in the matter. I do not think there is any legal question involved, though I am only a layman and perhaps should not express an opinion in that regard. I think that the subject has the right to apply to Parliament, and that it is for the Senate to consider the practice to be followed in the future. The chairman of the committee has referred this question to the Senate as a whole, and in my opinion we are quite capable of instructing him in the matter.

A court has been established in the Province of Ontario, and one of the arguments in support of the establishment of that court was that the Senate would be relieved of the necessity of hearing divorce cases arising in that province. I think that if the door is opened to one case the committee will have to hear innumerable others. The question is whether we will continue to hear cases from Ontario or not. It is not a question of our right. We have a right to hear such cases, and we also have the right to say that we will not hear them. This is a matter of policy, and I think that the Senate as a whole is in a position to decide it.

Right Hon. GEORGE P. GRAHAM: I agree thoroughly with the honourable gentleman as to the law, so far as I understand it. The committee can hear anybody it wishes to hear, notwithstanding the Act establishing a divorce court in Ontario, or the fact that divorce courts exist in other provinces. But there is in this case what the layman might call a technicality. While the petitioner technically resides in Ottawa, she in reality lives in the city of Montreal. We do not want to go so far as to have that woman or her friends believe that by referring her to the courts in Ontario we are compelling her to come under the jurisdiction of a province in which she does not really reside. Perhaps there will not be such another case in a long time. If both parties resided in Ontario there would be no question about sending them to the Ontario courts, but the petitioner has lived in Montreal for the past sixteen years.

Hon. J. W. DANIEL: Honourable members, the question of domicile, I think, is really the crux of this whole matter. If by separating from her husband and by living apart from him for fifteen or sixteen years in a different province this woman became domiciled in that other province, we should accept her petition and proceed with the trial of the divorce; but, as I understand the law on the subject, the wife's domicile is the domicile of her husband, and consequently in this case the woman's domicile is in the Province of Ontario. I have it in my memory that a year or two ago we debated this very question of the domicile of a woman who was separated from her husband. The law was not changed, and the woman's domicile is still the domicile of her husband. Under these circumstances I think the only thing for us to do is to adopt the motion of the honourable senator.

Hon. C. P. BEAUBIEN: Honourable members, I am ready to admit candidly that I am prejudiced against divorce. It is my idea, however, that the purpose of the legislation that we passed last year was not only to relieve Parliament or the Senate of their very arduous duties in connection with divorce cases, but also to render justice. If it had not been demonstrated that the courts in the Province of Ontario were better able than Parliament to render justice to applicants for divorce, I certainly would not have voted for the Bill. It goes without saying that anybody may petition Parliament, but it also goes without saying that Parliament may either accept or reject the petition. We have now before us the case of a petitioner whose domicile, according to my knowledge of the law, is distinctly in the Province of Ontario, and this petitioner is endeavouring to depart from the normal and natural course of applying to what is clearly the proper tribunal to judge her case, namely, the Ontario court. Last year I for one, and, I believe, nearly all the members of this House, agreed that the court in Ontario would be better equipped than the Senate to render justice in cases of this kind, because the court could dispose of questions such as alimony, the custody of the children, and certain other matters with which the Senate could not deal. I am still of the same opinion. Are we going to say now that the Province of Ontario, with its properly constituted court, having complete jurisdiction, cannot do justice to this petitioner? I do not think so. It is an anomaly that the

authority that makes the law should be constituted a tribunal to administer it. This tribunal in the past, I think, has been abused. Why should we go back to the old system? Now that full scope and absolute liberty are given to everybody to obtain justice in the courts, why should we allow anyone to come here for what we all recognize as imperfect and incomplete justice? I cannot understand such a proposal, and I shall vote for the motion.

Hon. ROBERT FORKE: Speaking beside the question, I want to point out the manifest injustice of the situation. If the complainant had been the husband, and if he had gone to live in Montreal, he would have had the full right to come to Parliament to ask for a divorce. His wife cannot do so. If this situation cannot be remedied immediately, it ought to be remedied in the not distant future, so that the wife may have exactly the same privilege as the husband.

Hon. Mr. McMEANS: The woman has a perfect right to come to Parliament.

Hon. Mr. FORKE: The husband has—

Hon. Mr. McMEANS: So has the husband.

Hon. Mr. FORKE: —if he lives in Montreal.

Hon. Mr. McMEANS: He would have to come here. But that is not the point. The question is: shall the Senate entertain applications as to which there is jurisdiction in Ontario?

Hon. C. MacARTHUR: What puzzles me a little is this. The Chairman of the Divorce Committee says that there is no question about the authority of this committee—

Hon. Mr. McMEANS: I cannot hear the honourable gentleman.

Hon. Mr. MacARTHUR: The honourable gentleman says that the committee can deal with this case.

Hon. Mr. McMEANS: Absolutely.

Hon. Mr. MacARTHUR: I take it that the Chairman of the Committee would like to make this a sort of test case, in order to get a decision of the Senate as a precedent for the future. If it were a matter of jurisdiction or law, then we should have to take some other step than that of referring it to a committee of the Senate. What bothers me is the situation of the petitioner. What she has done is perfectly in order. The solicitors have not made any false steps. Under these circumstances, I do not very well see how the committee can penalize the petitioner by refusing to deal with her case. If she has to go to the Ontario court she will have to pay extra costs. It seems to me that when the Bill giving Ontario the power to grant divorce was passed the solicitors should have received a circular letter notifying them that the Senate would hear no more cases from Ontario, so that petitioners might avoid incurring extra expense.

Now I want to correct a statement made by the honourable leader on this side of the House (Hon. Mr. Dandurand) in regard to the Province of Quebec being the only province not having a divorce court. The province that I have the honour to represent in this House, Prince Edward Island, has no divorce court, and I think the Divorce Committee will have before it in a few days a case from that province, which will be the second case in the history of Prince Edward Island; but there is no question about jurisdiction in that case.

I would ask the Chairman of the Committee to clear up the point as to whether the petitioner in the case now before us is not going to be inconvenienced and put to extra cost if she is obliged to go to the Ontario court.

Hon. Mr. McMEANS: I thought I had made it clear that in the present case the proposal would cause a hardship in requiring the petitioner to go to the Ontario court, after having petitioned the Senate, employed a lawyer, and brought her witnesses here.

I am surprised to hear that there is no divorce court in Prince Edward Island. I thought that there was some method by which the Governor in Council could try such cases.

Hon. Mr. HUGHES: I think the honourable gentleman is correct.

Hon. Mr. SPENCE: May I raise a point that has not been touched upon at all? If this woman goes to the Ontario court she will have to put up security for costs. It will be two hundred dollars to start with, and may be increased.

Hon. Mr. BLACK: Unless it is dispensed with.

Hon. J. LEWIS: This seems to be a very popular subject—

Hon. Mr. McMEANS: I think the honourable gentleman from Toronto (Hon. Mr. Spence) must be thinking of some other kind of action. If the woman is domiciled in Ontario—

Hon. Mr. SPENCE: It is a question not of domicile, but of residence.

Hon. Mr. McMEANS: Perhaps my honourable friend is right.

Hon. Mr. SPENCE: Under the rules, it is a question of residence, not of domicile.

Hon. Mr. LEWIS: Honourable members, I am influenced by the explanation given by the Chairman of the Divorce Committee, showing that a great hardship would be done to this petitioner if we refused to consider her petition. I have also given thought to what has been said to the effect that we should be careful not to create a precedent that might result practically in a restoration of the old conditions. So I have been trying to think out a plan by which both these points could be adjusted, and I propose an amendment which, although it may not be in legal form, will possibly cover the case. I move, seconded by Hon. Mr. Spence:

That the report be referred back to the Committee on Divorce with instructions to proceed with this case because of special circumstances. But the Senate declares that as a general rule this body should not grant a divorce in any case where a provincial court has jurisdiction.

That is, the Senate would regard this as an exceptional case.

Hon. Mr. McMEANS: The honourable gentleman means it should not consider this case as establishing a precedent.

Hon. H. W. LAIRD: Honourable senators, I am not a member of the Divorce Committee, but I was present as a spectator at its sitting this morning, when this matter was being discussed. For that reason, perhaps, I am taking more interest in the question than I otherwise would. It seems to me that the issue before us may be divided into two parts: first, the authority of Parliament to deal with such a petition as the one before us; and, secondly, the position in which the petitioner in the case finds herself.

Now, it was the unanimous opinion of the members of the Divorce Committee this morning that the committee had jurisdiction to hear this case, and bring in a report. That statement has been confirmed by the Chairman of the Committee on the floor of the House this afternoon. I do not think there can be any question as to the committee's jurisdiction. As I am not a lawyer, I cannot contribute any valid legal opinion. However, the case is so clear, it seems to me, that even a layman can come to only one conclusion upon the matter.

Hon. Mr. SCHAFFNER: Hear, hear.

Hon. Mr. LAIRD: The authority to legislate in matters of divorce was given to Parliament by the British North America Act. I shall read a part of section 91 of that Act:

It is hereby declared that (notwithstanding anything in this Act) the exclusive Legislative Authority of the Parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated; that is to say:—

And No. 26 of the items enumerated is "Marriage and Divorce." That gives to Parliament the unquestioned right to deal with matters of divorce. As honourable senators will remember, an Act was passed last year conferring upon the Supreme Court of the Province of Ontario the power to try divorce cases. That enactment is contained in the Statutes of Canada, 1930, Chapter 14, at page 199, and is described as "an Act to provide in the Province of Ontario for the dissolution and annulment of marriage." The marginal note to section 1 of that Act provides that "part of the law of England on July 15, 1870, is made the law of Ontario"; and section 2 provides that "the Supreme Court of Ontario shall have jurisdiction for all purposes of this Act." Now, it does not say that the Supreme Court of Ontario shall have exclusive jurisdiction; it simply says that it shall have jurisdiction. Therefore Parliament has the authority to deal with this divorce petition. The applicant in this case complied with the rules of the Senate. She filed her petition, paid the fees and came before the Committee on Divorce with her witnesses; and that committee decided to hear, and has heard, the evidence in the case, and is prepared to make a recommendation.

The honourable the Chairman of the Committee on Divorce (Hon. Mr. McMeans) has moved that the report covering this case be referred back to the committee, with instructions to take no further action in the matter. I do not agree with the suggestion, which has been made here, that the question involved is a purely legal one and that therefore it should be referred either to the law officers of the Crown or to a committee of lawyers of this House, so that we may know whether Parliament still has jurisdiction over divorce in Ontario or not.

Right Hon. Sir GEORGE E. FOSTER: If my honourable friend will permit me to interrupt him, may I say that that was not the point I tried to make. The question I raised was whether the committee or Parliament has the right to refuse to hear a case and give a decision, after the petitioner has applied to this House and has gone through the required processes. That Parliament has the right to deal with the case, I entirely agree. But has it the right to refuse to give a de-

cision in a case like this, after the committee has heard the petitioner and her witnesses? I think such a refusal would work a hardship.

Hon. Mr. LAIRD: Then it is a question of policy; and we do not need to refer a question of that kind to the law officers of the Crown or to a committee of lawyers. I think every honourable member of this House, whether legally trained or not, is competent to form an opinion on a question of policy.

Some hon. SENATORS: Hear, hear.

Hon. Mr. LAIRD: The authority of Parliament to deal with petitions of this kind will not be affected in any way if this House adopts the motion made by the honourable the Chairman of the Divorce Committee. The only result that would follow from the adoption of that motion would be the denial to the petitioner of her right to relief, to which relief the Chairman of the Committee has stated here she is unquestionably entitled. Now, if she should have that right, why should we say we will not give it to her?

Hon. Mr. HARMER: That is the point.

Hon. Mr. LAIRD: If she is entitled to this right, I submit that she should get it. Whether, as a matter of policy, this House should in future refuse to entertain petitions for divorce from Ontario, is a different question. It seems to me that if honourable members are desirous of preventing Ontario people from presenting divorce petitions to this House, we should make known our opposition to the receipt of such petitions, and the Clerk could be instructed to advise solicitors who file applications from Ontario of the stand that we have taken and inform them that if they proceed with their cases they will do so at their own risk. If that notice were given, the Divorce Committee would be justified in refusing to hear an Ontario case. But in this case, as the Chairman of the Committee on Divorce has stated, the applicant undoubtedly has the right to petition Parliament for relief, and I submit that we have no justification for refusing her that right.

Hon. H. J. LOGAN: Honourable senators, I am inclined to agree with the amendment, because in this case there is no question that the applicant has a legal right to have her petition disposed of by Parliament. I think upon that point all honourable members are agreed. The question is entirely one of policy, it seems to me, rather than of law, for every person in Canada has the right to petition Parliament. We cannot take that right away. May I say, before going further, that the honourable gentleman who preceded me (Hon. Mr. Laird) made such an able and astute argument that I think he should be created a King's Counsel immediately.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. LOGAN: It seems to me that if we adopt the amendment we shall do no injustice to the petitioner in the present case, and at the same time we shall be giving a warning to solicitors throughout Ontario that they are not to bring to the Senate petitions in cases over which the provincial court has jurisdiction. Last year the Divorce Committee dealt with about 250 cases from the Province of Ontario. If we are not careful we may be faced again with a large number of Ontario petitions. As far as I know, a petitioner from this part of the country is not put to extra expense by reason of having to apply to the court, because the cases are tried by the Supreme Court judges on circuit. An Ottawa applicant does not need to go to Toronto, for instance, but can have his or her case heard in this city. My honourable friend from Toronto (Hon. Mr. Spence) has stated that a deposit must be made when a divorce action is brought in the courts. But the same thing is true when the petitioner comes to Parliament. If anything were done to create the impression that we are still willing to hear Ontario cases, some of the judges, if they think at any time that they are being overworked, may feel inclined to restrict the granting of divorces so as to encourage the parties to come to the Senate. Furthermore, if we entertain Ontario petitions here we shall be the means of opening up a double channel of justice: a person who has his case tried in the courts and fails may turn around and petition Parliament for relief. Therefore I think we should give an intimation that we do not want any more divorce petitions from Ontario. But I doubt that we can go farther than that, so long as the law stands as it does. My honourable friend who referred to Prince Edward Island (Hon. Mr. MacArthur) will be pleased to know that there is a court with divorce jurisdiction in that province, although it has not been functioning for a great many years. If a Prince Edward Island case comes to us, and when it does, we shall deal with the question.

Hon. G. LYNCH-STAUNTON: Honourable members, I quite agree with the exposition of the law as delivered by the honourable gentleman from Regina (Hon. Mr. Laird). But while every subject has the right to petition Parliament, I am not sure that it is not quite improper for a person to apply

to Parliament for a remedy which he can get through the courts. The legal right may exist, but the parliamentary and the judicial practice may be entirely against it. I do not think any Canadian would apply to the English Parliament for a bill of divorce.

We must be careful not to establish a precedent in this case, because, owing to the large number of communities lying on either side of the border between Ontario and Quebec, there is a possibility of many such instances as the present one occurring in the future. So far as this case itself is concerned, I think we might allow it to proceed, because, as the petitioner has lived for many years in Montreal, she may have quite naturally thought that her petition should be made to Parliament. Furthermore, she and her witnesses have appeared before the committee, and I think it would be a serious hardship to force her to take her case to the Ontario court and begin all over again. I am absolutely opposed to divorce, and if I thought that by my vote I could defeat the Bill, or an application to Parliament, I would vote for that purpose, but, as things are, I think I shall vote to allow the committee to continue to deal with this case.

Some Hon. SENATORS: Question!

Hon. J. J. HUGHES: Suppose the positions were reversed, the wife being a resident of Ottawa, and the husband a resident of Montreal, and the wife wanted to have a divorce. Could she go to the courts of Ontario, or would she be obliged, because of the fact that her husband lived in the Province of Quebec, to come to the Senate?

Hon. Mr. HARDY: It depends upon where the parties lived at the time of the separation.

Hon. C. E. TANNER: Honourable senators, there appear to me to be some interesting questions, not only of law, but of constitution and policy, involved in the issue before the House. I think the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) raised an important point when he suggested that although the petitioner may have a strictly legal right to come to Parliament, it is not so certain that parliamentary and judicial practice warrants it. Men and women living in Ontario applied to Parliament for divorces because there was no court open to them in Ontario; but now there is a court open to them. If I have a legal claim against my neighbour here, for example, in respect to contract or trespass, or any other matter, I go to a court. True, as a British subject I have a right to go to the foot of the Throne, or to appeal to Parliament; but in a civil matter Parliament would never dream of interfering if I had the right to go to a court. So we may very well ask whether Parliament should be called upon to hear divorce cases from Ontario.

I did not intend, honourable members, to go into this matter except to suggest that we must remember that this Chamber is not the whole of Parliament. We may say that we will not receive divorce petitions, but they may be received in the other Chamber. Then what shall we do about it? The House of Commons can receive petitions, just as properly as the Senate can; so we cannot settle the matter by saying that we will not receive them or act upon them.

Hon. Mr. LAIRD: It is settled as far as we are concerned.

Hon. Mr. TANNER: As far as we are concerned. There is a general impression outside of this House that the Senate has the sole authority in this matter, whereas it has a joint authority with the House of Commons.

Having listened to the discussion, I do not see that a little delay would work any hardship in this particular case. The witnesses have all been heard. I suggest that we take a day or two to think the matter over, and I move the adjournment of the debate.

Some Hon. SENATORS: Question!

Hon. Mr. BELCOURT: Honourable members, I am not going to discuss the legal question. Apparently we are all satisfied in that regard. I rise only for the purpose of explaining the vote I am about to give. My practice, like that of my co-religionists in this House, has been to refrain from voting on matters of this kind. I am going to vote for the amendment because I want to be consistent with my past attitude, and because I find in the amendment a declaration on the part of this House that would have the effect of reducing the number of applications for divorce.

Hon. Mr. HUGHES: The answer to the question I asked shows me that women are not on a parity with men in this matter. They have not the same right. I thought they had, and I should like to have the privilege of voting to give them that right.

Hon. RODOLPHE LEMIEUX: Honourable members, I am not interested in divorce cases, and never have been, but I am interested in our constitution, and I am afraid that if we take the step that we are invited to take, we shall be violating the British North America Act. The Chairman of the Divorce Committee very fairly stated this afternoon that he was con-

vinced that Parliament had jurisdiction even in this case, but he wanted to know whether the hearing of the case before his committee would be creating a precedent.

Last year, when a special Act was passed establishing the right of the courts of Ontario to hear divorce cases, what was given to the petitioners for divorce was only an alternative. The law has been very ably stated by my honourable friend from Regina (Hon. Mr. Laird). Notwithstanding the Act of last year, there is no doubt that under the constitution the Dominion Parliament, which is the grand court of the nation, still has jurisdiction to hear divorce cases, and I am afraid that if we invite people to evade this court when seeking relief we may be ignoring the British North America Act. What impels me to speak is the fact that my good friend the member for Ottawa (Hon. Mr. Belcourt) said that he would vote in favcur of this amendment. He has always stood for a strict interpretation of the British North America Act. If we ignore the Act on one major point we may be thereby establishing a principle of jurisprudence by which other rights would be infringed. I think this is a very dangerous move, and, as has been stated, the matter is so important that we cannot settle it offhand. I would support a reference to the Department of Justice, our law officers, or a committee composed of the best legal minds of the Senate, in order to ascertain whether the precedent, if created, is binding for all time. In constitutional matters a precedent is always dangerous. I would call the attention of the Chairman of the Committee to that point. Suppose parties to a divorce case are informed that in the future they will have to apply to the courts of Ontario, or to the courts of some other province, that can only be for the time being. Other senators will come here—unfortunately senators are not immortal—and this newly established jurisprudence may well be set aside. All this goes to show that the suggestion of the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) ought to be adopted. We ought to go very slowly in this matter, and to ascertain whether or not we are infringing upon the rights granted under the British North America Act in 1867 to all citizens of Canada.

Hon. Mr. BELCOURT: Will my honourable friend allow me to ask in what way the amendment evades, or attempts to evade, the constitution? From his observations I could not see why or how it does.

Hon. Mr. LEMIEUX: Perhaps I can make my meaning clearer. Last year we passed an Act which, in my humble opinion, created an alternative court to which parties seeking divorce could apply. They could come here, or they could go before the courts of Ontario. We transferred certain jurisdiction to the courts of Ontario, but we did not give them exclusive jurisdiction; and I say that now we may be creating a principle of jurisprudence by solemnly declaring that parties from Ontario shall in future be debarred from applying to Parliament.

Hon. Mr. BELCOURT: The amendment does not say that.

Hon. Mr. McMEANS: Oh, yes, it does.

Some Hon. SENATORS: Question!

Hon. Mr. ROBINSON: I thought the adjournment of the debate had been moved.

Hon. Mr. DANDURAND: No.

Hon. Mr. TANNER: Honourable members, I moved the adjournment of the debate. I thought that everyone who desired to speak had done so. I renew my motion to adjourn the debate, seconded by the honourable gentleman from South Bruce (Hon. Mr. Donnelly).

Some Hon. SENATORS: Carried!

Some Hon. SENATORS: No!

Hon. Mr. ROBINSON: There is one question that I should like to ask the Chairman of the Committee. Is he sure that this petitioner has the right to go to the courts in Ontario?

Hon. Mr. McMEANS: I do not think there can be any question about it. The husband is a resident of Ottawa, and has been for the past sixteen years, ever since he was married.

Hon. Mr. ROBINSON: Suppose this woman lived in New Brunswick, would the same principle apply?

Hon. Mr. McMEANS: Yes, unless she had lived in the province for two years.

Hon. Mr. McLEAN: These people had a separation, after which the husband went down to Montreal and lived with his wife for two or three months. Then they found that they could not agree, and she has lived in Montreal ever since.

Some Hon. SENATORS: Question!

Hon. Mr. CASGRAIN: Adjourn the debate.

The motion of Hon. Mr. Tanner for the adjournment of the debate was agreed to: contents, 30; non-contents, 14.

HOSPITAL SWEEPSTAKES BILL

REPORT OF SPECIAL COMMITTEE

Hon. Mr. BARNARD presented, and moved concurrence in, the report of the Special Committee to whom was referred Bill E, an Act with respect to Hospital Sweepstakes.

Right Hon. Sir GEORGE E. FOSTER: Honourable members, I have heard the motion made, and the report has been read, but I have not been able to catch a single word of it. As no very great hurry is necessary, and as we have got along for a number of years without this measure, I suggest that probably the fair thing would be to take it up in a little more leisurely manner, after the report is spread upon our Minutes and honourable members are given time to think it over, and opportunity to understand what kind of legislation is proposed and what the effect of it would be. I am quite sure that my honourable friend does not wish to railroad this proposition through the House.

When the Bill came up the other day I had not an opportunity of looking at it, and I doubt that five per cent of the members of the House had read it through. I was somewhat surprised, therefore, when it passed, in about fifteen or twenty minutes, almost to the crucial stage of the third reading. I have not much doubt that if it had not been that His Honour the Speaker of the Senate then rose to put a motion to the House, the Bill would have been read the third time. That is a rapidity in legislating which I do not think it is advisable for this House to sanction, and my plea to-day is that this report be spread on our minutes so that we may have a chance to think over the matter, and so that the country may have a chance to consider it; for there are people outside of this House, as well as in it, who are interested. In this way, when we come to grips with the matter, we shall be informed with regard to it and shall have an opportunity of canvassing it thoroughly amongst ourselves.

Hon. J. W. DANIEL: I think, honourable members, that where amendments are made to a Bill by a committee to which it has been referred, members of this Chamber should at least have an opportunity of reading them and knowing what they are. I am quite sure that the majority of the members of this Chamber have no idea what changes are recommended by the committee, because they cannot hear what the Clerk reads over in a not very loud voice. Furthermore, to pass such amendments when the report is brought in is contrary to the rules of the House. The rules require that a certain time shall intervene so that members may know exactly what it is they are asked to vote for. For that reason, as well as for the maintenance of the rules of the Senate, I think it is only right that this report should not be adopted before the next meeting of the House.

Hon. Mr. BARNARD: I am quite agreeable, honourable gentlemen, and would suggest that the report be considered to-morrow.

Hon. Mr. DANDURAND: I understand that it is the intention of the honourable the leader to move the adjournment of the Senate until next week. If that is correct, I suggest to my honourable friend that he say Wednesday next. The interval would give us an opportunity to reach an opinion on this very important matter.

I confess that I have not yet made up my mind as to the principle contained in the Bill. Some thirty years ago I waged a successful fight in this Chamber for the passage of a Bill to curb games of chance, in the form of lotteries, and by that enactment such operations were reduced. Now my honourable friend brings in a Bill which he suggests will be of great assistance to a number of our hospitals. I do not know why he did not include other charitable institutions. I should like to think the matter over before we deal further with the proposed extension of a practice that I tried to curb thirty years ago.

Right Hon. Sir GEORGE E. FOSTER: Unfortunately the explanation given by my honourable friend (Hon. Mr. Barnard) does not suit me. I have some very decided opinions on this proposed legislation, and owing to the fact that I have to go away to-morrow and shall not be returning before Tuesday, I would ask that, as a fair courtesy to one who has been a member of this honourable Chamber for some considerable time, my honourable friend will fix, say, Tuesday or Wednesday of next week for the further consideration of the matter.

Hon. Mr. BARNARD: I shall be quite happy to meet the wishes of the right honourable gentleman, and I move that the report be placed on the Order Paper for consideration on Wednesday next.

The motion was agreed to.

REPORTS OF COMMITTEE ON STANDING ORDERS

Hon. Mr. TANNER presented, and moved concurrence in, the fifth report of the Standing Committee on Standing Orders.

He said: Honourable senators, in the absence of the Chairman of the Committee (Hon. Mr. Tessier), may I state that the committee would like to have the report adopted to-day. With the leave of the Senate, I move that it be adopted now.

Hon. Mr. GRIESBACH: What is it all about?

Hon. Mr. TANNER: This report merely states that the committee have examined the advertising and notices and found them to be correct.

The motion was agreed to.

Hon. Mr. TANNER presented, and moved concurrence in, the sixth report of the Standing Committee on Standing Orders.

Right Hon. Sir GEORGE E. FOSTER: What does that report state?

Hon. Mr. TANNER: The same thing.

Right Hon. Mr. GRAHAM: A conspiracy of silence.

The motion was agreed to.

PRIVATE BILL

FIRST READING

Bill H, an Act respecting the Railway Employees Casualty Insurance Company.—Hon. G. V. White.

REGISTRATION BILL

MOTION FOR SECOND READING—BILL REJECTED

Hon. J. P. B. CASGRAIN moved the second reading of Bill A, an Act respecting the registration of all British and alien subjects in the Dominion of Canada.

He said: Honourable senators, I may say that I had nothing to do with the drafting of this Bill; it was drawn up in what should be the Law Clerk's department. I do not know whether honourable members are aware that at present the Senate has no Law Clerk, but only someone acting in that capacity.

Hon. Mr. BELCOURT: Who is he?

Hon. Mr. CASGRAIN: I do not even know his name, but I think it is Mr. Larose. I do not know whether he is a lawyer or not. I should like to draw the attention of the Government to the fact that it would be a good thing to have a lawyer in that department, because it is very difficult for a layman to draft bills. This Bill was drawn up at my request, but it was just the opposite of what I wanted. It was described as a Registration Act. Well, that name is not particularly savoury throughout Canada, especially in the Province of Quebec, and I thought that my life was in danger. But I am not nervous about it. This is a short Bill respecting identification by means of cards or certificates. The Governor in Council would be empowered to make all the necessary regulations.

I may say that a voluntary system of identification by means of cards, a copy of which I have here, is in force in the city of Montreal at present. For many reasons I cannot give to the House a frank and complete statement of the necessity for a Bill of this kind, and therefore I should like to see the Bill sent to a committee. It could be understood that honourable members are not endorsing the principle at this stage. While the House is in open sitting I do not want to enter into a detailed discussion of the Bill, the object of which, I think, will be clear to honourable members who have read some of the Bolshevist documents. In papers that were seized at the time the Arcos Building was raided by the British Government, Canada was described as one of the best countries in which to start a world revolution. I have here a copy of the document, including a diagram, which any honourable member may see. I have already spoken to the honourable leader of the Government in this Chamber (Hon. Mr. Willoughby), and, if he is agreeable, I should like to have a special committee consider the Bill and hear witnesses. Of course the committee could, if it so desired, give the Bill a nice little funeral, but I think the members of the committee would receive some very valuable information, such as I would not dare to mention to the House. Suffice it to say that in 1929 there were 4,419 direct agents of Moscow working in Canada every day of the year. The Dominion has been divided by these people into nine sections, extending from the Maritimes to British Columbia. In Ontario alone there are 131 unions, most of which are in the southern part of the province, but others are in the mining district, in Timmins and places of that kind; while others again are in the Thunder Bay District. I feel it would not be in the public interest to give these things too much publicity if we are going to take action.

Honourable senators should bear in mind that these agents have had many years of experience in their work. They know just how to proceed to interrupt the telegraph service, to dynamite bridges, to destroy our railroads, and so on. But perhaps I am saying too much. I repeat that honourable members could provide that they were not adhering to the

principle of the Bill when voting for second reading.

Hon. Mr. DANIEL: I cannot understand why the honourable member wants all the information. What is the object of the Bill?

Hon. Mr. CASGRAIN: If the honourable gentleman will allow me, I shall tell him privately when the House has adjourned. I expressly stated that I did not wish to explain publicly why a measure of this sort is urgently needed. If the Bill were referred to a committee, honourable members would be able to decide in a short time whether we should pass legislation along this line. I think it is only a stone or a brick in the wall of the citadel that we shall have to build as a means of protecting ourselves against world revolution.

Hon. W. B. WILLOUGHBY: The honourable gentleman who is sponsoring the Bill has already showed it to me, and I am familiar not only with its contents, but with the object that he has in view. So far as I am concerned, I am quite agreeable that this House should strike a committee for the purpose of investigation. It seems to me that the expense incurred would not be very great. I quite agree with the honourable gentleman that the hearings would have to be in camera, for evidence in a matter of this kind could not be given openly. Of course, I am not trying to prescribe what the committee should do, but am simply indicating what I think would necessarily be done. The committee would be the judges of that, however. It is not my intention to make further remarks at this stage, but if the honourable gentleman will, as he suggested to me, nominate some honourable members for the committee, I will name some others.

Hon. R. DANDURAND: Honourable senators, the honourable gentleman has indicated what has impelled him to bring in this Bill. Many countries in Europe use the livret d'identité. I am not sure of the correct name of the document, but I know that in a number of countries on the continent everyone carries an identification book, which he is required to produce to the police on demand. I do not believe that there is any such system of registration in effect in Great Britain, and of course we have none in this country. My honourable friend has said that the city of Montreal has made a start with something of the kind. I can see that there would be an advantage in having such a registration of people in our towns and cities. Montreal is growing past the million mark, and it and other cities of Canada are at times invaded by criminals of the worst types from the United States. For example, when gunmen in Chicago or New York find that the police are making too strong a drive against them, they are apt to come across the border and engage in bank robberies, holdups and such crimes in this country. Undoubtedly the police would find their work facilitated if they were able to demand from every person of whom they were suspicious a card showing his identity. I think if everyone were required to carry some such form of identification there would be an improvement in peace and order throughout Canada. The only objection that I can see to making a law of this kind applicable to the whole country is that people in the quiet and peaceful rural sections would be inconvenienced. This is my difficulty. If we limit the application of such a law to towns and cities, we shall not be properly safeguarded under the circumstances, because people can always claim that they have come from a rural district, where the legislation would not be in force. I am prepared to examine this legislation with an open mind. I see the object that my honourable friend has in view, but to the reasons at which he has hinted I would add the desirability of keeping out fly-by-night visitors who surreptitiously enter the country somewhere along the three or four thousand miles of border that separates us from the republic to the south.

Hon. R. LEMIEUX: Honourable gentlemen, is not the Immigration Department doing practically that same work? Any foreigner coming to Canada is obliged to give his name and nationality.

Hon. Mr. CASGRAIN: Does that include the gunmen from Chicago?

Hon. Mr. LEMIEUX: They are foreigners.

Hon. Mr. CASGRAIN: They come here.

Hon. Mr. LEMIEUX: I am not opposed to having this Bill referred to committee. I think it may help the police of the country, especially in the mining districts and in the larger cities such as Toronto, Montreal, and Winnipeg. But the trouble I see is this. It is difficult enough to convince people not only in the back sections of the country, but in the more thickly populated parts, that they should answer the questions put by the census officials. Already I have received letters about this Bill. People are asking me what is the matter with the senator from De Lanaudiere (Hon. Mr. Casgrain)—is he thinking of some conscription bill? The danger is that this Bill might facilitate blackmail. It would be very awkward for a man who

does not happen to have his identification card in his pocket to be brought to the police court and sentenced perhaps to a fine of $20 or to a jail term of thirty days. In that respect this is a dangerous Bill. It should be amended if it ever goes to committee. I may tell the honourable gentleman that it is quite a task to convince the people of Canada of the necessity of everyone registering and carrying an identification card to prove his British citizenship.

The Bill is directed against undesirable foreigners. The regulations of the Immigration Department provide for such cases, and they are very stringent. Besides, the Dominion police, the provincial police and the municipal police are well informed in regard to the activities of foreigners. Some two years ago my honourable friend—and I have the highest regard for him and for his informant in these matters—showed me some letters. I went to the Department of Justice to inquire whether the Government knew of the activities of the Reds in the West, and to my surprise I found that they already had a full report about the Communistic movement in Western Canada. I repeat that I have no objection to the Bill going to the committee. Nevertheless, it contains dangerous and questionable features, such as the liability that a fine of $20 or a sentence of thirty days in jail may be imposed if A or B or C happens one afternoon to be walking along St. James street without having his identification card in his pocket.

Furthermore, I claim that this work ought to be done by our immigration officials and it ought to be done outside of Canada. Before boarding a steamer every foreigner should be bound, and is bound, to produce his identification.

Hon. Mr. CASGRAIN: The honourable gentleman has a fine chance. His is the first name on the list of members of that committee.

Hon. Mr. LOGAN: May I call the attention of the honourable gentleman who has introduced this Bill to the fact that it may be ultra vires of this Parliament?

Hon. Mr. CASGRAIN: Let it go to the committee. We shall decide that there.

Hon. Mr. LOGAN: I think we should consider very seriously the question whether we are interfering with civil rights. I am inclined to think that when we compel a man to carry a card around with him we are interfering with civil rights, and in my opinion we should look into that question very carefully before spending further time on the matter.

Hon. ROBERT FORKE: I think that this Bill would be very unpopular from the Atlantic to the Pacific. It seems to me that we are becoming a little hysterical on the subject of Bolshevists and Communists. There are in this country very many good, law-abiding people, which makes it pretty certain that our laws will be lived up to. This is the first time in ten years of parliamentary life that I have been asked to endorse a Bill that was so mysterious that it could not be explained on the floor of the House. If the Bill is necessary, why should we not get full information as to what makes it necessary? I do not believe in this idea that there is some mysterious thing that is going to overtake us. If there is, let us hear about it. What is the danger? A few Communists may sometimes talk wildly, but as long as they continue to talk in public I think there is not much to be feared from them. Most honourable gentlemen have been in Hyde Park, London, as I have been, and have heard such people talking. The police protect them, and let them talk if they want to, and that is the end of it.

I think we are making far too much of the Communists in Canada. I had an opportunity of witnessing in Winnipeg a Labour Day demonstration and parade in which six thousand unemployed took part. I watched the faces of those men as they passed. There may have been a sprinkling of Communists among them, but I may tell you, honourable gentlemen, that after watching them I was overwhelmed with sorrow at the condition in which they seemed to be. They were haggard, badly dressed, and seemed to be underfed. Let me say in all seriousness, honourable gentlemen, that there is our problem. I think I have said in this House before that if you give a man a job and a home the Communists may talk all they like and they will never do him any harm. I do not think there is any necessity for this Bill to go to committee.

Hon. Mr. McMEANS: May I ask whether a great many of the men in that procession were not brought into this country when the honourable gentleman was Minister of Immigration?

Hon. Mr. FORKE: I admit that many of them were foreigners. Perhaps foreigners have more difficulty in getting jobs at the present time than our own people. These men did not look to be at all dangerous. I saw one man carrying a baby—haggard, ill fed and badly clothed. I am not objecting to the Bill going to committee, but I think that we are making too much of Communists in Canada.

Hon. Mr. CASGRAIN: I have put the honourable gentleman's name on the committee. I think he has an inkling as to where my information comes from.

Right Hon. Sir GEORGE E. FOSTER: This is getting to be very intriguing. This is something new. A Bill is introduced by an honourable gentleman, with the very best of intentions, because he possesses information which makes it imperative for him, in pursuance of his public duty, to bring in the Bill. I give my honourable friend full credit in that respect. But here is my difficulty. I am asked to vote for the second reading of the Bill, and consequently to give my support to the principle contained in it.

Hon. Mr. CASGRAIN: No. I beg the right honourable gentleman's pardon. I said the second reading need not commit us to the principle of the Bill.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend gives me absolution, but, after all, when a Bill is given the second reading there is an impression that we are in favour of its principle. I am told that if I knew all that my honourable friend knows I would raise no objection to the Bill. That may be, but in view of the fact that I am asked to approve of the legislation and to help it forward, step by step, because of information which cannot be imparted to us, I find the responsibility a rather heavy one to assume.

The Bill involves important consequences. Under its provisions it will be obligatory upon every citizen of this country, of a certain age, with some few exceptions, to register under some system which is supposed to provide sufficient information to safeguard the country from evils that are real, or that the promoter of the Bill supposes to be real. It seems to me that there is a different way of accomplishing what is desired. We have a Government that is responsible for the maintenance of law, order and justice in this country. Why should not the information that has been referred to be laid before the Government, or, as is done in periods of great stress in Great Britain and in most other countries, be placed before not only the Government of the day, but also the Opposition, in order that law, order and justice may be maintained? It seems to me that if certain fortunate individuals possess an under-stratum of information of which the rest of the people are not aware, and that information indicates an impending peril, it is the duty of those individuals to lay the matter before the Government and place upon it the responsibility of taking such measures as are necessary to insure peace and order. If the information which my honourable friend has is correct and well-founded, I cannot conceive of the Government rejecting a proposal to examine into it and to take such steps as are considered necessary to meet the situation. The Government can call in the leaders of the Opposition and confer with them to decide what measures are necessary. I do not know that we have in this country any secret service fund, but the steps that I have spoken of could certainly be taken, and I should think they would be taken if the basis of the information were found to be correct.

If you go to Paris or some other European city you will find that everything about you is written down, made a matter of record, and placed in the hands of the police. I can see how in the city of Montreal, maybe in the good city of Toronto, or perhaps even in the city of Ottawa, such information might be useful to the police authorities.

I am not entirely free of a sense of the peril in which Canada stands to-day. As I look over to the United States of America and see what is taking place there in regard to the administration of law and justice, I realize what a force and power commercialized, organized and wealthy violators of the law have become in the carrying on of their operations, and I am not entirely free of an apprehension that they may cross the border and invade our cities. The Government ought to be alive to this peril; I am not sure that it is not; but if private citizens have information which is not possessed by the Government it is their duty to place that information in the hands of the Government.

It is difficult for me, however, to understand how I am to support legislation that puts burdensome restrictions upon the people of this country, without first having complete information as to the necessity of an inquisition into their private lives, or the necessity of their registering with some authority and carrying credentials with them at all times in order that they may avoid all sorts of trouble and expense and vexation. Think of the inconvenience to which they will be subjected, and the interference with their freedom of movement. Then there is the cost. It is not going to be easy to register everybody under this Bill. It will cost a great deal of money, and that is something to be taken into account. These are the thoughts that run through my mind, and I wonder whether there is not a better means than my honourable friend has chosen for the carrying out of his idea—a means that would not arouse the feeling that the proposed legislation is

sure to arouse throughout the length and breadth of this country. I think that this legislation might be very useful for our larger cities, and that it is such as in the course of our evolution we may be obliged to adopt; but that it is necessary at the present time is a matter of doubt in my mind. In any event this would be a most arousing and exciting, and, in a certain sense, a most undesirable, addition to the legislation and the very meticulous regulations that we now have.

Hon. G. GORDON: Honourable senators, in my opinion this Bill should not be given a second reading. I know that the honourable gentleman who introduced it (Hon. Mr. Casgrain) is sincere in his motives, but the remedy that he suggests for the Bolshevist evil would drive any free and independent people into revolution. The result would be exactly what my honourable friend wants to prevent. At the present time many of our people are put to considerable hardship because they have not their automobile licence cards available every time that a policeman demands them. It appears to me that if registration of this kind were inflicted upon a free people, the outcome would be disastrous. As for myself, I should resent a demand from a policeman to present a card of identification. The Bill appears to me to be so absurd and ridiculous that, I repeat, we should not give it second reading.

The motion for the second reading was rejected: contents, 12; non-contents, 20.

GOVERNMENT EMPLOYEES COMPENSATION BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Willoughby, the Senate went into committee on Bill 37, an Act to amend the Government Employees Compensation Act.

Hon. Mr. Gordon in the Chair.

Section 1 was agreed to.

On section 2—compensation to be same as under law of province where accident occurs:

Hon. Mr. BELCOURT: May I ask my honourable friend whether the wording of the Bill has received the approval of the Attorneys General of the different provinces? I understood my honourable friend to tell us the other day that the Bill was introduced after consultation with the Attorneys General, but I am wondering whether they have approved of the wording.

Hon. Mr. WILLOUGHBY: I think the honourable member from Welland (Hon. Mr. Robertson) can give that information, but he is not in the House at present. I am unable to answer the question further than to say that, from talking over the matter with the honourable gentleman before he left his seat, I understood the necessary approval had been given.

Hon. Mr. BELCOURT: I do not want to impede the passing of the Bill, but perhaps my honourable friend will not insist on third reading till next Wednesday.

Hon. Mr. WILLOUGHBY: That is agreeable. I have here a memorandum that apparently is in answer to a question that was asked at a time when I was not present, as to whether provincial workmen's compensation boards are recompensed for handling cases for the Dominion Government. It is to be noted that according to subsection 4 of section 3 of the Government Employees Compensation Act, the Minister of Finance, under the authority of the Governor in Council, may pay such portion as is fair and reasonable of the administration expenses of maintaining the provincial boards. Every year the Dominion Government pays to each board what is considered to be a fair and reasonable share of the annual expenses of maintaining the board.

Hon. Mr. BELCOURT: That provision is in the Act now?

Hon. Mr. WILLOUGHBY: Yes. In the year 1929-30 the Dominion Government paid out for this purpose $21,702.02.

Hon. Mr. LOGAN: May I ask the honourable gentleman whether there has been any reference to the employees themselves about this Bill? Have they been heard by any committee?

Hon. Mr. WILLOUGHBY: Not to my knowledge.

Hon. Mr. LOGAN: Does the honourable gentleman not think that they should be heard in regard to a Bill concerning compensation?

Hon. Mr. WILLOUGHBY: Although the Bill stands in my name, the honourable gentleman from Welland (Hon. Mr. Robertson), who has just returned to the House, is more familiar with the matter than I am. He may be able to supply the required information.

Hon. Mr. LOGAN: I will repeat my question. Were the employees consulted in connection with this Bill? Did they appear before any committee or make any representations?

Hon. Mr. ROBERTSON: May I ask my honourable friend just whom he means by "the employees"?

Hon. Mr. LOGAN: The employees of the Government.

Hon. Mr. ROBERTSON: The Civil Service. My understanding is that representations of the employees' wishes were made to the Government originally through the Trades and Labour Congress of Canada and through the Department of Railways. The matter was subsequently taken up by that department, and the Department of Labour was consulted. Following a conference between officers of those two departments, a Bill was framed last year and made some progress, but it was not passed by the time Parliament dissolved. The measure was renewed this year and brought down in another place, where it was passed, and it is now here for our consideration. So far as I know, there is no objection at all to it on the part of civil servants. As a matter of fact, the Bill provides the only means by which civil servants are able to obtain compensation in the event of being injured while on duty; for, as I understand the law, a Government employee, being in the service of the Crown, cannot take action in the courts against the Crown without its consent. That is, he has no recourse in common law. This Bill would provide fair treatment for civil servants by putting them on a footing with employees in private industries who are covered by provincial workmen's compensation Acts.

Hon. Mr. LOGAN: I am not conversant with the facts, but I have been told on good authority that a large body of civil servants desire to be heard before the Bill is given third reading. That is the only reason I raised the question.

Hon. Mr. ROBERTSON: I may say to my honourable friend that, subject to the approval of the honourable the leader of the Government in this House (Hon. Mr. Willoughby), I shall try to get some information on this matter to-night. The Civil Service Federation gave notice a couple of weeks ago that they wanted to resume discussion with me of a matter that had been taken up some months ago and adjourned for further consideration; and it so happened that I suggested that the conference be held to-night, as neither House of Parliament will be sitting. So this evening I shall be meeting in the Labour Department a delegation from the Civil Service Federation, who represent civil servants in every department of the Government, and I expect to have a discussion lasting a couple of hours or so. I have no knowledge of what they wish to discuss, other than what was considered before, but since the honourable member has raised this question I shall be glad to inquire from the delegates whether they have heard of any objections to this legislation. I may say that I have heard of none. I shall inform the House of what information I receive.

Hon. Mr. LOGAN: That is quite satisfactory.

Hon. Mr. DONNELLY: Does this Bill apply only to civil servants? Does it not apply to temporary employees who do special work for the Government? I understand it refers to all Government employees not otherwise covered.

Hon. Mr. ROBERTSON: Government employees not otherwise covered.

Hon. Mr. DONNELLY: I think a number of them will not be civil servants.

Hon. Mr. WILLOUGHBY: I am agreeable that the Committee should rise and report progress.

Progress was reported.

PRIVATE BILL

SECOND READING

Hon. G. LACASSE moved the second reading of Bill 23, an Act respecting the Essex Terminal Railway Company.

Hon. Mr. ROBERTSON: Would the honourable gentleman kindly give a little explanation to the House as to what the purposes of the Bill are? I do not think many honourable members are familiar with the subject-matter.

Hon. Mr. LACASSE: I had the privilege of introducing a similar measure about two years ago, and it was passed. As honourable members will observe, the purpose of the Bill is to give authority to the Essex Terminal Railway Company to commence the building of an addition to its line in the county of Essex within the time specified, which is two years. The previous Bill specified the same length of time, which has now expired, and the company is seeking an extension.

Hon. Mr. McLENNAN: A similar Bill was apparently first passed in 1902, twenty-nine years ago, and has been coming before Parliament at intervals of two years, with one exception, ever since. I should think it would be to the advantage of the promoters of the Bill to drop it rather than to keep on paying the expenses of its renewal every two years.

Hon. Mr. LACASSE: My honourable friend will admit that collective organizations always last longer than individuals. The company referred to here is a transportation concern and it has been seriously affected by the general depression, as have all the larger lines in the country. To put the matter simply, the company is asking for a renewal of the rights granted two years ago, since which time no great wave of prosperity has swept over the land. If the Bill is passed now and the company has to apply to Parliament for another renewal two years hence, my honourable friend will have an opportunity of pressing his objection then.

Hon. Mr. ROBERTSON: I have a hazy recollection—I am not clear on the matter—that when this Bill was before the Railway Committee two years ago some question was raised as to the advisability of granting a further extension of time for the construction of the line referred to, because of the fact that the company had received similar extensions over a period of almost thirty years. I think the committee came to the conclusion that no harm would be done by once more extending the time for two years, but that the Bill should not be renewed after the expiration of that limit. If the Bill is sent to the Railway Committee, probably other honourable members there will remember what occurred two years ago.

Hon. Mr. DANDURAND: No doubt the Bill will have to go to the Railway Committee, because an explanation will be required from the promoters as to why a further extension of time should be given. I suppose that the oftener they request an extension the stricter the committee will become in demanding reasons.

Hon. Mr. ROBERTSON: It might be further observed, by way of reminder, that at the same time to which I am referring an extension of time was asked for by a railway in the province of my honourable friend from DeLorimier (Hon. Mr. Dandurand). That was a road running northwards from Montreal—

Hon. Mr. DANDURAND: The Joliette.

Hon. Mr. LEMIEUX: Yes, the Joliette and Lake Manuan railway.

Hon. Mr. ROBERTSON: Yes. I think it is only fair to suggest to the honourable gentleman sponsoring this Bill (Hon. Mr. Lacasse) that the promoters should be prepared to explain, if the Railway Committee so desires, why the Bill is being renewed.

Hon. Mr. GORDON: I should like to inquire whether this company has anything other than its charter. Does it own any other railway, or is it affiliated with any other railway?

Hon. Mr. LACASSE: It is a small company which was organized in the county of Essex, the main purpose of which is to provide connecting lines from the C.P.R., the C.N.R., the Michigan Central, etc., to the extreme end of the peninsula of Essex, which is not reached by those railroads. It has been operating for a number of years, and has a considerable quantity of tracks and rolling stock.

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

STATUES ON PARLIAMENT HILL

INQUIRY

Hon. Mr. TANNER inquired of the Government:

The names of the persons in honour of whose public services statues have been erected on the parliamentary grounds, Ottawa; and the date when each statue was erected.

Hon. Mr. WILLOUGHBY: The answer to the inquiry of the honourable gentleman is as follows:

Sir Geo. E. Cartier—January, 1885.
Sir John A. Macdonald—July, 1895.
Queen Victoria—September, 1901.
Hon. Alex. Mackenzie—September, 1901.
Hon. G. E. Brown—March, 1913.
Baldwin-Lafontaine—May, 1914.
Hon. T. D. McGee—December, 1922.
Sir Wilfrid Laurier—August, 1927.

The Senate adjourned until Tuesday, May 19, at 8 p.m.

THE SENATE

Tuesday, May 19, 1931.

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

Prayers and routine proceedings.

TRADE MISSION TO SOUTH AMERICA

DISCUSSION AND INQUIRY

Hon. C. P. BEAUBIEN rose in accordance with the following notice:

That he will call the attention of the Senate to the recent Canadian Trade Mission to South America, and inquire whether the Government

intends to follow the recommendations of the Mission looking to the expansion of Canadian trade to that continent.

He said: Honourable members, I think I may without risk of contradiction preface my remarks with the statement that Canada under present conditions needs to keep all she can of her own market and to extend as much as she can her trade in foreign markets. This becomes more apparent when one observes the condition of our powerful neighbour to the south and realizes that the difficulty of the situation in the United States has been greatly increased by a reduction of exports from that country. Yet in normal times the United States sends abroad only about 8 per cent of its total production, whereas Canada ordinarily exports no less than 30 per cent of hers—though recently this figure has fallen to 20 per cent. The bulk of Canada's exports are sent to only a few countries, 60 per cent going to the United States of America, 20 per cent to the United Kingdom, 10 per cent to the rest of the British Empire, and only 10 per cent to the rest of the world.

The purpose of the Canadian Trade Mission to South America was to find an additional market for Canadian products and to secure a share of the South American trade, of which we have very little at present; less than one per cent, or, to be exact, $39,000,000 worth out of a total of $15,000,000,000. The Trade Mission has accomplished its task and submitted a report containing its conclusions, the principal one of which is that we should secure a much larger share of South American trade. The Mission has done a very useful work, but, like many another good work, if it is not followed up it will be lead to nothing. I confess that tonight I am attempting to do my share in this follow-up work, and if I can enlist the members of this House in support of the conclusions contained in the report I shall feel that my efforts have been of some avail.

I think I ought to say one word as to the composition of the delegation, but before doing so I shall ask my genial colleague, companion and adviser from Prince Edward (Hon. Mr. Horsey) to be kind enough to make up any deficiency in my remarks. The Mission was perhaps the most important that ever left the shores of Canada. It consisted of 150 Canadians gathered together by two associations having world-wide relations, and it was headed by no less a personage than a Minister of the Crown officially representing the Government. If you picture to yourself all those delegates gathered together in one ship, a ship not only flying the Canadian flag, but belonging to the Dominion of Canada, you can well understand that it was regarded and received as a dignified national embassy.

I am glad that in another House Sir George Perley has thanked in such pleasing and fitting language those who extended such wholehearted hospitality to the Canadian delegation. I trust that I may be allowed to join with him in his remarks, and perhaps to go a little further—to express here the appreciation of the lawyers who formed part of the Mission, and who, headed by the Right Honourable the Chief Justice of this country, through the graciousness of their Argentine colleagues, were admitted to the Bar of Buenos Aires honoris causa. On that occasion I felt that I had been brought back over 7,500 miles of sea to the atmosphere of the law courts in my own city of Montreal, for everbody spoke French, and spoke it not only fluently but most gracefully. I cannot refrain from mentioning that throughout South America it is understood and spoken with ease by every educated man. In Argentina the Civil Law is French law—it is the Code Napoléon; and every student of law must pass his examination in Civil Law in French before being admitted to practice.

I have very little to quarrel with in the report of the Mission, but I regret that mention has not been made of the fact that in this country, where such a large part of the population speak French, that language could be used to render very valuable service to the Dominion in South America.

One particularly interesting feature of the report is that it was made by business men, many of whom are leaders in their respective lines of work. They are specialists, and their report, based on first-hand information gathered in South America, should be of great interest to business concerns in Canada.

I shall try to state briefly what the conclusions of the Mission were. First of all I shall refer to the question of political security. I know that rumours of revolutions succeeding one another in South America have created the impression that that country is not a very safe market for foreign trade. But let me say, honourable senators, that revolutions such as occur in those countries appear far less terrible from the inside than from the outside. They are mostly bloodless, and it seemed to me that they operated as the only means of rectifying an undesirable political situation. I think I can state that the general opinion of at least two of the larger countries in South America is that most of their political troubles are due to their constitutions, which place in the hands of their respective presidents an excessive power that can be counter-

balanced only by force of arms. Public men in Argentina are openly advocating an amendment of the constitution; and one of the most important items in the program of the Government of Brazil is a constitutional amendment with a view to reducing the power that the President now has. Indeed I may say that it was very difficult for the members of the delegation not to sympathize, to some extent at least, with the rebels.

The ex-President of Argentina, President Irigoyen, was certainly a unique figure, and would have been so regarded in the public life of any country. He was in office until the second year of his second term, and yet, as I was told by a man whom I implicitly trust, nobody knew where the President was born, nobody knew his religion, and much less did anybody know his political opinion. He refused to reside in the presidential palace, a beautiful building called the Casa Rosada, and made his abode in a meagerly furnished tenement over a small store in a side street. He never attended a public function; he never spoke in public, and the only thing of any note that he was reported to have said was that he was the father of the people. One good thing that was credited to him was the distribution of sugar to the poor of Buenos Aires. The first two years of his second term revealed that in addition to being possessed of extraordinary mental characteristics he had succumbed to the weight of years; for he was very old. He has been deported to an island called San Fernando, close to the shores of Argentina, where he is kept, though not without comfort.

As to Brazil, the ex-President, Washington Luis, was undoubtedly most despotic. I will cite an example of his arbitrary dealings. Mr. Mello-Franco, an able statesman, the present Minister of Foreign Affairs, was re-elected in his old electoral district last year by over forty thousand votes, while his opponent got only seven hundred votes. Yet President Luis declared that Mr. Mello-Franco's election was null and void, and that his opponent was elected.

I should like to be permitted to mention here the pleasure with which I heard Mr. Mello-Franco's reference to Canadians. At a gathering of a great many Brazilians and a number of members of our own delegation he stated that one of the most outstanding feats he had ever witnessed occurred at the time our eloquent colleague the honourable leader on the other side of this House (Hon. Mr. Dandurand) delivered his inaugural address as President of the Assembly of the League of Nations. Mr. Mello-Franco said, "After having spoken with great eloquence in French, your compatriot waved aside the translator and repeated his speech in English with an ease and correctness that won the admiration of everyone present."

Perhaps a few remarks as to the economic conditions of the South American countries would not be out of place. Argentina has the third largest gold reserve in the world. I think no further comment is necessary. Uruguay also is in an admirably sound state. But Brazil is in a more difficult position for the time being, and Sir Otto Niemeyer, a director of the Bank of England, has been called in by that country for expert advice. But, honourable gentlemen, from the point of view of barter and trade, these countries are absolutely reliable financially. In times of depression like the present, the exporter there, like the dealer here, must be prudent and especially guard against possible depreciation of the specie of the country.

Now, as to the wealth of those countries, I think that their natural resources, particularly those of Argentina, Uruguay and Brazil, are beyond all description. The Andes are like the dorsal spine of South America, and from their peaks—some of which are 23,000 feet high—wonderful plateaux descend gradually, step by step to the Atlantic. These plateaux are teeming with herds of cattle and with crops of maize and wheat; and, seeing all this pastoral wealth, I could not help recalling the Old Testament description of wealth, which was reckoned by the number of heads in the herd, or the number of sheep in the flock. The herds and the flocks, the maize and the wheat, are transported across those plateaux and down those steps, and find their way out to the coast, mostly to Buenos Aires and Rio.

These are two magnificent cities. Honourable gentlemen, I can say sincerely that if I had not known how I travelled there I should have thought it was Paris. The houses are magnificently built of granite, marble and wrought iron, and with every luxury. These cities have commercial streets with even the latest decorations of modern art such as are met in Paris. Store façades entirely in metal are to be seen on every side—but I do not admire them. The impression one receives is that colossal wealth has been spent without reckoning. This is true particularly of Buenos Aires. Rio de Janeiro has a beauty of its own, due to its site. I do not know that there is in the world anything comparable to the Bay of Rio. It appeared to us as a vision; a crown of lofty peaks rising abruptly from the sea and joined by five sweeping bays from which the white city creeps up the green slopes. Those who have spent

so lavishly to make Rio so beautiful were at first ostracized by public resentment, but later they were recalled and treated as heroes.

South America is a continent of unbounded resources. From the commercial point of view, it offers great possibilities of trade, and that is particularly the reason why I venture to come before you with the request that, if you share my opinion, Canadians should be given every opportunity to capture that trade.

But is that trade within our reach? Allow me, honourable gentlemen, to refer briefly to a very comprehensive report made by Mr. Holland for the Export Committee of the delegation. According to that report there is in Argentina a good demand for radiators, steam fittings, gas stoves, and an extremely large market for agricultural implements, electrical washing machines, pumps driven by wind-mills; and for the supply of these commodities Canadian firms are now actively in the field. There is also a very large demand for outboard motors, patent medicines, toilet preparations, art paper and envelopes—all of which products are now imported mostly from France, Germany, Italy and Great Britain. There is a large demand for canvas, rubber-soled footwear, and several Canadian firms are now doing a substantial business in these lines. Over $2,500,000 worth of Canadian autos went to the Argentine in 1930, and with the improvement in roads, which is bound to come shortly, this business should be materially increased. The Argentine now furnishes a market for over $1,750,000 per annum worth of Canadian sewing machines. About $132,000 worth of binder twine went from Canada to the Argentine last year, and this should increase considerably in the future. Though one large American company has now opened its own plant locally, there will continue to be a fine market for Canadian-made tires and rubber goods, which last year showed a figure of over $3,500,000. The statistics of last year show that $134,000 worth of iron pipe and tubing went to the Argentine from Canada. There should also be a good sale for iron rods and bars, due to the large quantity of ornamental iron work done locally. Iron rods for reinforced concrete work should furnish Canadian manufacturers with a profitable market. Because of the popularity of boating in the Argentine, it is felt that Canadian manufacturers of canoes could profitably devote some attention and effort to the development of this market.

But I will abridge my citations. Canada's trade with Brazil can be increased in rubber manufactures, dried fish, binder twine and cordage, paper products, agricultural machinery, sewing machines, automobiles, iron and steel products, marine engines, hardware, electrical apparatus, and cement.

With Chile we could trade in tires and other rubber manufactures, boots and shoes, tinned salmon, wood, wall-paper, farm implements and machinery, razors, automobiles, aluminium products, and soda compounds.

Uruguay offers a market for rubber manufactures, newsprint, iron piping, sugar, tubing, sewing machines and automobiles.

This long list of prospective exports could be enlarged considerably if I quoted from the reports of our committee on lumber, on fisheries, food specialties, agriculture, etc. Fish can be exported in large quantities to Brazil. Canadian poultry and silver foxes should find a good market in South America.

The Mission has made two kinds of recommendations: those which apply to private initiative, and those which must be left to public authority, that is to say, to the Government or to Parliament. I am not going to deal with the recommendations addressed to private initiative, except to state that Canadian prestige in South America has been admirably served by private initative, more especially by Canadian financial institutions such as the Canadian banks and the Sun Life Assurance Company. The manner in which those institutions, particularly the Royal Bank in South America, have merited the confidence and the respect of the people is wonderful. Every one of the Canadians who visited the offices of the Royal Bank in Buenos Aires or in Rio de Janeiro was proud of that institution.

I now appeal to you on the recommendations addressed by the Mission to the Government and to Parliament. These recommendations are three in number. The first concerns the Atlantic service between this country and South America. Since 1928 there has been a direct service between certain ports of Canada —Montreal in the summer and the Maritime ports in the winter—and Buenos Aires and intermediate ports. A monthly service is furnished by four boats of the Canadian National fleet, of 8,100 tons each. Strange to say, there is no difficulty in securing cargoes for Canada, more than 66,000 tons having come from South America during the last twelve months; but there is difficulty in getting cargoes shipped the other way, or rather in preventing shipment from Canada going via New York in American bottoms The reason for this is to be found in a very able report made by Mr. W. D. Robb, the Vice-President of the Canadian National Railways, who accompanied the Mission. This is what he says:

The volume of trade from Canada (east coast) to Argentina has increased substantially during the past years. There is little doubt that this increase is due chiefly to the shipping facilities afforded by establishment of the Canadian National Steamships' direct service from Canadian to Argentine ports.

The Argentine import market is, of course, at present in a depressed condition, but as soon as trading conditions become anything like normal, we believe that the steady development of the past year or so should continue progressively.

So far as traffic for this service from Canadian ports is concerned, a difficulty is to divert to Montreal cargo which has hitherto been routed via New York. It can be reckoned that New York provides at present one fast mail vessel, and an average of at least two moderately rapid cargo vessels per week for Argentina, and sailings are increased at short notice to cope with extra demand for space. This schedule compares with one Canadian National Steamship sailing from Canada per month.

In the efforts of the Canadian National Steamships' agents in Argentina to induce importers of Canadian goods to ship via Montreal, they have always been faced with the difficulty of the limited sailing opportunities from Montreal, as compared with New York. Manufacturers, as a rule, wish to forward their goods to ocean vessels as soon as they are ready, and it often happens, of course, that there is no sailing from Montreal for two or three weeks thereafter. In addition there is the risk, should goods shipped via Montreal be delayed in transit to port and thus miss the vessel, of a month's delay before another sailing is available. The Canadian National Steamships' agents in Argentina consider it of importance, therefore, that additional tonnage should be placed on the service, and they recommend for the present that the service be on a three-weekly instead of a monthly basis. As it is hoped that traffic will steadily increase, the probability of giving a fortnightly service later on should be kept prominently in mind.

For a considerable proportion of goods shipped from Canada to Argentina, speed in delivery is not of vital importance, but automobile importers, as a rule, require quick delivery, and at certain periods of the year agricultural machinery is required with urgency. Improved speed would, therefore, be a valuable asset to the Line.

I know, honourable members, that under present conditions the strictest economy must be observed, particularly perhaps in the affairs of the Canadian National Railways and the Canadian National Steamships; but sometimes the enforcement of economy is a very costly process. If by slightly increasing the service we could balance the freight both ways, we should reduce tremendously the cost of running these steamships and should give a very great impetus to our export trade with Argentina. I hope that the Government will give this report very serious consideration with a view to doing its part in the work of facilitating exports to South America, the entire work up to the present time having been shouldered by private individuals.

The second recommendation made by the Trade Mission favours better tariff treatment. Through a treaty made by Great Britain in 1825 covering the whole British Empire, Argentina has the benefit of the most-favoured-nation clause. However, as Argentina has but one tariff, save for insignificant concessions to neighbouring countries, Canada derives no benefit. On the other hand, Argentina enjoys the benefit of our intermediate tariff. It seems to me that this is not a very satisfactory tariff relation. The impression of the members of the Mission when visiting Buenos Aires was that the Government of Argentina had a set policy of maintaining the tariff in its entirety, and the Tariff Committee of the Mission were not a little surprised to learn, on visiting the Minister of Trade and Commerce, the Hon. Mr. Beccar-Varela, that exactly the reverse was the case. I shall just read an extract from a letter from the Minister of Trade and Commerce of Argentina, and, with the permission of the House, shall have the whole letter placed on Hansard for the information of honourable members.

Buenos Aires

March 21, 1931.

Senator C. P. Beaubien.

Mr. Senator:

I beg to thank you for your kind letter of March 18 and to express the satisfaction which I have derived from my interview with you and the other gentlemen of the Canadian Mission who honoured me with their visit.

Your interpretation of what we discussed in our interview with regard to the proposals of the Argentine Republic is correct. The Republic, as I have had occasion to state to you, and subsequently to you and Sir George Perley, is considering at the present moment the possibilities of concluding special commercial treaties to permit the interchange of certain products between our country and other friendly nations. On such conditions we are prepared to consider such negotiations with Canada, those being based upon mutual preferences, previous information of the initiation of these negotiations being given to Great Britain, of whose Empire the Dominion of Canada forms a part. We understand that Canada has within the Empire an international status for making such agreements, but as we are bound by treaty to Great Britain we are in duty bound to inform her of initiation of such negotiations, and we should be very happy to reach an agreement, which this Government would submit to the approval of Parliament immediately upon being concluded.

In truth we have products which we should like to export to Canada on a large scale, and reciprocally, we understand, it will be necessary to increase our purchases from your friendly country, this reciprocity being made possible by means of mutual concessions.

Before concluding, I desire to inform you, and through you, Sir George Perley and the Canadian Government, of the initiative which I offer in concrete form in the letter, a copy

of which I enclose, adding on the present occasion that the letter does not set forth a definite plan for an agreement with Canada, Australia and the United States, but suggests certain points of view which might serve as a basis for a future agreement, with such modifications in form and substance as in the course of our discussion may be deemed advisable.

I take this opportunity of informing the Senator of the pleasure which I have had in establishing personal relations with so worthy a representative of Canadian cultural and democratic manifestation, and in offering you my kind regards, I greet you with every consideration.

H. Beccar Varela,
Minister of Agriculture,
Trade and Industry.

I think this declaration of policy needs no explanation. It is clear that the Government of Argentina are ready, perhaps eager, to negotiate with Canada a treaty based on mutual preferences.

Now, what is the situation in Brazil? There is no commercial treaty between Canada and Brazil. Canadian goods are subject to the general tariff of that country, which is high. For instance, on our salmon the duty is 29 cents a pound, on motor cars 46 per cent ad valorem, and on pneumatic tires 86 per cent ad valorem.

I have here a letter from the Minister of Trade and Commerce of Brazil, which I ask permission to place on Hansard. The letter states that Brazil is a complementary country to Canada, and is willing and eager to negotiate a commercial treaty based on mutual preferences.

Rio de Janeiro
March 28, 1931.

Exceo Sr. Senator Beaubien,
M.D. Membro du M. C. D. Canada.

Honourable Sir:

The desire manifested by your Excellency to interview me on the morning of your arrival in this Capital, and the excellent impression which I preserve of the conference in which your Excellency made manifest to me Canada's desire to establish closer commercial relations with Brazil, now afford me an opportunity to express in writing the pleasure that your initiative has given me and the satisfaction with which I realize the coincidence of our thoughts.

In fact, from the statement which you made to me and which I heard with the greatest pleasure and interest, I see demonstrated the fact that in the matter of economic orientation and commercial policy, Canada, like Brazil, is guided by the same principles, which can best and most solidly strengthen interchange based upon a reciprocity of preferences, and fixed treaties, the development of their mercantile expansion.

Believe, Sir, that as I declared verbally, it will afford the greatest satisfaction to the Provisional Government and myself to see inaugurated as soon as possible, and through the fortunate initiative of Canada, the study of the possibilities offered by our countries for the greater increase of their commerce and industry on a mutual basis.

I do not conceal from you that from such inquiries made by our Government with the assistance of men of recognized competency, like those who are not lacking in your Canadian Mission, there will result future agreements, treaties or conventions founded on bases of the greatest solidity and practicability, for the full harmony of reciprocal interests, and in the compensating advantage of the productive activities of Canada and Brazil.

Congratulating myself again, like your Excellency, on the promises brought to us by the Mission of which you are such a brilliant and able member, I offer my best wishes for the personal happiness of yourself, Sir, and for the earliest realization of the hopes expressed for the closest and most prosperous relations between our two countries.

Lindolpho Collor,
Minister of Labour, Trade and Industry.

Now may I quote to you the conclusion of the Tariff Committee, which was composed of all the parliamentarians in the Mission. Besides our honourable colleague from Prince Edward (Hon. Mr. Horsey) it was comprised of Hon. Mr. Tilley, President of the Executive Council of New Brunswick, Hon. Frank Carrel, a member of the Legislative Council of Quebec and the official representative of that province on the Mission, and Mr. Boivin, ex-M.P. for Shefford, an exporter of no mean experience. The report of the Committee, which was endorsed unanimously by the Commission, concludes as follows:

In view of the new conditions revealed by the above official communications, this Committee urges the early submission of such documents to the Government of Canada with the recommendation that the advisability of making special preferential treaties of commerce with Argentina and Brazil be given due consideration just as soon as possible.

The following reasons, inter alia, in the opinion of the Committee, seem to call for diligent action in this respect.

(1) The necessity of anticipating other countries in negotiating for and obtaining preferences specially useful to Canada.

(2) The advantage for Canadian exporters, should such treaties be consummated, in preparing in advance and being ready for the next period of activity in business.

I know that whenever the question arises of negotiating a commercial treaty, particularly one based on preferences, people with experience in such matters look askance at what it generally entails. I do not think that in this particular case, however, the difficulties would be as great as those generally involved in negotiating with countries where the interchange of commodities would be on a very much wider scale. May I give an example of what I mean? Our major exports to Argentina, for instance, are manufactured rubber goods, amounting, in round figures, to $3,500,000; agricultural implements,

$3,300,000; paper, $2,632,000; motors, $2,531,000, and sewing machines, $1,750,000. I am convinced that we could secure a material reduction of the rate on those products. Can you imagine what it would mean to Canadian industries in any of those lines to have practically a right of way into that market? The difficulty would not be in regard to obtaining concessions, but rather in granting concessions. We grow in this country very little corn, and we buy a large quantity of it from Argentina. Most of the corn used in Canada is imported for the distilling of alcohol. We import large quantities of hides, casein, and certain other products. Why would it not be possible to grant concessions on such articles as those? And could we not place a small duty on corn, which now comes in free? By so doing we certainly should not hurt our own agriculturists. At the same time we should, by giving a preference to Argentina, help her to export a much larger quantity of corn.

Now, honourable senators, I want to hurry to my last point. I apologize for having taken so much time.

Hon. Mr. WILLOUGHBY: Go on.

Hon. Mr. BEAUBIEN: With regard to Brazil there is no difficulty whatsoever, because that country is entirely complementary to our own. Brazil desires nothing more than the export of her raw materials. May I quote from a speech of the Hon. Mr. Collor, referred to lately by the Rt. Hon. Sir George Perley:

> Commercial relations between Canada and Brazil are only in their beginning, the result so far only of private initiative. We can be, and we already are being, an excellent market for the placing of various manufactured products of your country. You have, besides this, wheat to bring to Brazil. In exchange we are in a position to furnish you with many products and raw materials essential to your economy. More than half the coffee which you consume is not yet supplied by Brazil. We have here, right now, a magnificent field for reciprocal benefits, capable of increasing the volume of our trade. Canadian rubber products already enjoy an excellent position in Brazilian markets. The facility which you could offer for the importation of our "Caoutchouc" appears of intuitive convenience and large are your possibilities to supply the consuming markets of Brazil with Canadian manufactured products.

Now I come to a very important resolution which was initiated by our honourable colleague from Prince Edward (Hon. Mr. Horsey) and unanimously endorsed by the delegation. It reads as follows:

> That in the opinion of this Mission it is desirable that action should be taken towards the strengthening of the position of our trade commissioners so as to facilitate their direct contact with the Governments to which they are accredited and thus enable them to give better service in increasing the trade in Canadian products.

If there was one thing which struck many, if not all of the delegates, it was the unfavourable and illogical position which our trade commissioners occupy in Argentina and Brazil and possibly in many other countries in the world. They are but the commercial agents of the Canadian Government and as such can have no direct relation with the governments of the countries to which they are attached. For example, our trade commissioner would not dare request an interview from any Minister of Argentina or Brazil. If he did, his request would not be entertained; besides, it would not be understood, as the people of South America are particularly punctilious on diplomatic etiquette. If any of our commissioners, in the discharge of their duties, must deal with the official representatives of such a foreign government, they do so through the British Minister accredited to such government. That is their only channel.

Such contacts with foreign governments are not infrequently required by Canadian interests, mostly for commercial reasons. In South America our export trade is largely competitive with British trade and it is bound to be more so in the future. The intercession with foreign governments in favour of Canadian business, if successful, is often detrimental to British trade. The Canadian commissioner is placed in this illogical position, that he must apply for assistance for Canadian interests to the very representative named and paid by the competitor of such interests.

On the other hand, the British Minister is called upon to support the Commissioner's request to the clear detriment of his own countrymen. I certainly do not wish to imply, not in the least, that the British Minister, in this difficult and absurd position, would fail to his duty, if clearly apparent. Great Britain, as a rule, chooses the highest class of diplomatic representatives. But I do say that this state of things is neither wise nor just, nor is it profitable. It certainly is unjust for the British Minister. It cannot be profitable for us. On both these scores, it is unwise.

An incident that occurred in the course of our sojourn at Buenos Aires brought this home to us strikingly. The Tariff Committee of which I have spoken had arranged an interview with Hon. Mr. Beccar-Varela, the then Minister of Commerce of Argentina, a most distinguished gentleman, extremely well informed and most sympathetically inclined towards Canada. The evening prior to this appointment, the Canadian Trade Commissioner at Buenos Aires strongly advised the cancellation of the interview, as no favour-

able issue could result from it, the policy of the Argentine Government being, as it had always been, steadfastly and irrevocably opposed to any tariff concessions whatever. From that moment very little confidence was placed in the interview. The Minister was frankly told at the outset how the hopes of the Canadian delegates had been dashed to the ground. "Why," the Minister retorted, "the unyielding policy that you refer to was upset, totally reversed, by the revolution of the 6th of September last." The Minister then expressed his readiness and his desire to negotiate with Canada a commercial treaty based on mutual concessions, in conformity with the well established policy of his Government.

How can anyone explain that seven and a half months after this overthrow by force of the old regime of Argentina, our trade commissioner, accredited to that country, was totally ignorant of such a radical change of policy on a matter regarding international trade, so important to Canada?

Hon. Mr. LYNCH-STAUNTON: Will the honourable gentleman permit me a question? Had the change of policy been announced?

Hon. Mr. BEAUBIEN: I do not know exactly what my honourable friend means by "announced." Frankly, I am unable to answer the question; I am merely stating what I know. The Minister declared that the Government had been changed seven and a half months before the interview, and, furthermore, that for some months there had been in existence a commission which was created by the Government to negotiate treaties based on preferences with friendly nations. A gentleman for whom I have great respect expressed to me the opinion that such ignorance is the commissioner's own fault. That may be the case, but the fact remains that the commissioner had no official medium of information but the British Minister at Buenos Aires.

Leaving aside this particular fact, I submit that for a score of reasons the position of our commissioners has become most unsatisfactory. For years they have claimed a status which would allow them fully and effectively to fulfil their mandate. Our own Department of Trade and Commerce has recognized the soundness of their request by recommending to our Department of Foreign Affairs that proper diplomatic status be granted our commissioners in the most important countries, including Argentina and Brazil. And there the matter stands. It has awaited a solution for some time. I know there are some Canadians, and some of the best, who believe in one diplomatic service for the whole British Empire. For rather sentimental reasons they would hesitate to withdraw our commissioners from the tutelage of the British Ministers. I respect their feelings, but it seems to me that the best answer to a sentiment of this kind is that the Dominions have settled the question of their own status. The policy that the Dominions have established in this respect will not be reversed. The integrity of Canadian autonomy has become the first article of our political creed throughout the land. That being determined, there remains but the practical issue as to how Canadian interests can best be served. This, I suggest, should be done through Canadian authority by Canadians answerable to Canada.

But Canadians are not the only ones who hold views of this kind. May I quote on this point no less an authority than Sir Ronald Lindsay, Great Britain's ambassador to Washington, who, a few days ago, stated publicly:

> If I may speak not only for myself but also for the general body of the English career diplomatists of which I am one member, I would say that we have always felt it a great honour to have been allowed to defend the interests abroad of the great Dominions, and we have always done our best to defend them efficiently. And yet I have no hesitation in expressing the opinion that where your interests assume considerable proportions, they are more effectively looked after by your own representative than they possibly can be by a member of the diplomatic service of Great Britain.

It is illogical that our representative should be out of court and our case be confided to an attorney not subjected to our authority, but often under that of the real opponent in the case. This strange situation we have reached in the course of our evolution to the new regime from the old, which I know is bound to disappear. Should we not endeavour to correct it just as soon as it is practicable to do so?

Canada at the League of Nations ranks fifth in trade and eleventh in population. May I read the list of countries which have either embassies or legations at Buenos Aires?

Austria	Hungary
Germany	Italy
Belgium	Japan
Bolivia	Mexico
Brazil	Norway
Columbia	Peru
Cuba	Poland
Chile	Portugal
Denmark	Russia
Ecuador	Sweden
Spain	Switzerland
United States	Uruguay
France	Turkey
Great Britain	Venezuela
Holland	

I think I may say that, measured from the point of view of commerce and wealth, and even population, most of these countries are by no means more important than Canada. Yet a large diplomatic experience has taught them the advantage, nay, the necessity, of proper representation in foreign countries. In Argentina and Brazil the people are strongly convinced of that necessity, and they fail to understand why, if Canada is really autonomous, she still lacks proper diplomatic representation. I trust and hope the Government will see to it, notwithstanding the small difficulties to be overcome, that this anomalous situation is righted without undue delay.

In my opinion, honourable senators, foreign trade, as well as local trade, will be much more difficult to build up in the future. There is no doubt that competition will become keener. We have a great opportunity offered to us in the form of potential trade with South America. The field there may be easier to develop than in many other countries. I think the South Americans are sympathetically inclined towards the people of Canada. Down there we hold no commanding or overshadowing position; furthermore, we perhaps have the ability to make friends more easily. An Englishman in Buenos Aires stated to Mr. Davis, the worthy President of the Canadian Manufacturers' Association: "You Canadians have got closer to the Argentinians in ten days than we have in ten years."

There is a particularly good opportunity for Canadian exporters in Argentina. That country is now free from all past entanglements and is ready to enter into new negotiations. Shall we take advantage of this readiness on their part? Certainly the prize is worth winning. Argentina is an enormously rich country, but because it possesses no coal, no metals and practically no available waterpowers, it is forced to rely on other countries for nearly every class of manufactured article. Brazil, which has a population of over forty million people, is, as I have said, a country that is complementary to Canada; it needs what we produce. Our trade relations with South America so far have been happy. Private initiative did it all. Should not the Government now lend a helping hand? We have lavished special treaties on small countries of Europe. We might have been wiser in giving greater attention to South America. Should we not make up for time lost? I hope that my remarks will result in enlisting the support of honourable members for our compatriots who, up to the present, have had very little assistance in their attempts to build up Canadian trade in South America. I hope that the Government and Parliament, if need be, will give them a helping hand.

Right Hon. G. P. GRAHAM: Honourable senators, I have no intention of making a speech at this time, but I should like to ask the honourable gentleman a question. Has the Mission given consideration to the possible effect on our trade with the United States, by virtue of the McKinley Act, if Canada attempted to give a preference to, let us say, Brazil? That Act provides, if my memory serves me rightly, that should any country give to some other country a preference which it does not extend to the United States, the United States tariff would be automatically increased 25 per cent. against the country that gives such preference; and a proclamation by the United States President is the only thing that would prevent such an increase going into effect. That might be an impediment in the way of our extending our trade with Brazil.

Hon. Mr. BEAUBIEN: I am afraid I shall have to answer the right honourable gentleman's question by asking another. Does he restrict his question to South America?

Rt. Hon. Mr. GRAHAM: In asking the question I was just taking Brazil as an example.

Hon. Mr. BEAUBIEN: Of course, if the question is a general one it needs no answer, for we have had treaties with countries all over the world, up to the present time, and so far as I know the States have never complained. I think the right honourable gentleman should know that his friends first of all made a treaty with France, giving considerable preferences to that country, and then extended that treaty, holus bolus, to virtually every country of Europe. So, if my right honourable friend's question is general, I am afraid it comes a little late in the day.

Rt. Hon. Mr. GRAHAM: My honourable friend has just given me the opportunity. When the treaty was made with France this question arose. The Right Hon. Mr. Fielding and myself went to Washington, and in consequence of negotiations with the late President Taft and his colleagues, and of some minor concessions, that proclamation was issued which prevented the United States tariff from being automatically raised against Canada.

Hon. Mr. BEAUBIEN: May I ask my right honourable friend whether similar concessions were made when the treaty with France was extended to Italy, to Czecho-Slovakia, to Belgium, to Esthonia, to Lithuania—to virtually all the countries of Europe? Was there, every time, a little pilgrimage to Washington to ask that a proclamation be

issued? I do not know, but it is quite clear that so far we have not been fettered very much in the negotiation of our preferential treaties with other countries, many of them not half as profitable to Canadian trade as Argentina and Brazil would be; and if it is worth while to meet the difficulty for the sake of trade with small countries in Europe, surely we ought to be able to face it for two large clients such as those I have just mentioned.

Right Hon. Mr. GRAHAM: I have no doubt about the ability to face it, but I am just asking the question whether the Mission took into consideration the condition which I mentioned. The honourable gentleman's reply is that it did not.

Hon. H. H. HORSEY: Honourable members of the Senate, I desire to support in almost everything the very clear and comprehensive statement just made by my honourable friend from Montarville (Hon. Mr. Beaubien). I think we will all agree that he has given us a very interesting, first-hand account of his impressions and experiences on the recent Canadian Trade and Good-will Mission to Latin America.

The remarks I wish to make fall naturally under three headings. The first deals with the good-will engendered on all sides by the social functions held and contacts made. The second takes up the specific, concrete accomplishments by the members of the delegation itself. The third refers to the present handicaps, the modification or removal of which would tend to increase mutual trade between Canada and the South American countries.

Under the first heading, there is no doubt that the receptions and entertainments, national, provincial and municipal, together with those of the Chambers of Commerce and of individual citizens, did lead to good-will on all sides, and to a better understanding of each other's needs and aims. We were received with open arms. The social functions were not overdone, and the delegation never forgot the main object of the Mission, namely, to extend and increase Canadian trade and promote Canadian interests.

Under the second heading, the following accomplishments of the delegation may be mentioned: They secured many direct orders on the spot, including orders for marine engines, agricultural implements, carpets and rugs, fox furs, and even Canadian whiskey. They established some fifteen new agencies for their export firms, and considerable increase of trade over the years is certain to result therefrom. They helped to advertise this country and make Canada better known. Travelling in such large numbers—150—on their own steamer, and arriving at the time of the Empire Fair, the delegation aroused great interest in Buenos Aires. All the papers there gave much front-page space to Canada, its area, history, resources, people, trade, etc. This Mission, I think, constituted a very good basis for trade, furnishing valuable information for our importers and exporters, by the use of which they may get into touch and keep in touch with the people of those countries, and thus be able to do business with them.

Now I come to the third point—some of the difficulties or handicaps, the modification or removal of which would tend towards an increase in trade with Canada. First there is inadequate steamship service, which already has been mentioned by my honourable friend (Hon. Mr. Beaubien). At the present time we have a monthly service. In the summer the boats leave Montreal, call at Three Rivers for a cargo of newsprint, then at Saint John, New Brunswick, and Halifax, whence they proceed to Rio de Janeiro and Buenos Aires. The steamships on this route are ten-knot vessels, and two out of the four, I believe, have some refrigerator space. Honourable members can see how difficult it is to compete with the service from New York, with two or three rapid boats leaving weekly. We cannot hope to meet that competition on an equal footing, but something might be done to improve the situation. As my honourable friend has said, Hon. W. D. Robb, Vice-President of the Canadian National Steamship Company, was the chairman of the committee that reported on this matter, and he has estimated that 60 per cent of our trade with South America goes via New York and by American steamers. We are thankful to have even one ship a month on this route, and this has helped towards an increase in trade; but honourable members can realize that when a man ships a cargo he wants it to get to its destination as quickly as possible, and rather than wait two or three weeks for a vessel, as is often necessary in shipping through a Canadian port and by a Canadian boat, he will ship via New York. Mr. Robb suggests that it is possibly worth while to consider a change from a monthly service of ten-knot boats to a three-weeks service of fourteen-knot vessels. This is a matter of policy. As my honourable friend (Hon. Mr. Beaubien) has so well said, when the Canadian National Steamships are facing a deficit, it is a question for the experts of that organization and of the Government to determine whether or not some of the 60 per cent of Canadian exports that are going via American routes can be diverted to our own ports and steamers. It might be

found advisable to carry out the suggestion which has been made. One thing we do know, and that is that if an improved steamship service were established it would be of great benefit to all our importers and exporters.

My honourable friend was the able chairman of the Committee on Tariffs. I also happened to be a member of that committee, and I know something of the discouragements and difficulties that my honourable friend had to meet. Through his perseverance and diplomacy, and his knowledge of the French language, he succeeded, as he has shown to-night, in obtaining interviews with the Ministers of Trade and Commerce in both the Argentine and Brazil, and in obtaining from them an offer to consider treaties on the basis of mutual or preferential tariffs in order to increase trade. I am not quite so sanguine as my honourable friend with regard to the magnitude of the trade that can be done, but I believe the present trade can be increased. If a treaty is too serious a method of attaining the desired end, perhaps it might be done by a conference of the representatives of the Governments, who might decide that instead of making a hard and fast treaty they would do something in the way of independent, voluntary action. My reason for thinking that there may not be scope for a tremendous trade with Argentina, for instance, is this. While Argentina is a rich country, perhaps the richest of its size in the whole world, it is rich in agriculture, and its surplus products are agricultural. Therefore we are more or less in competition. This being so, we cannot expect an enormous interchange of products, though, as my honourable friend says, there is room for increased trade. I do not quite agree, either, when my honourable friend speaks of placing a duty on corn, or, for that matter, of increasing the duty on anything. We cannot lower the duty on corn, because it comes in free. For the same reason we cannot lower the duty on hides. Nevertheless there is a very large and rich market in the Argentine for our manufactured products if our exporters can compete in quality and price. If they can do that, the good-will already engendered will, I believe, give them a preference in Argentina.

In Brazil, as my honourable friend has said, there are perhaps more opportunities for increased trade than in Argentina, because Brazil has a larger area in tropical regions and its products are different from our own. There are, however, many difficulties in the way of securing an extensive trade even with Brazil. In the first place, there are tropical countries nearer to Canada than Brazil. Products similar to those of Brazil are produced by the British West Indies, to which we must give the first preference. Then there is the United States, which takes a very large share of the Brazilian coffee, probably two-thirds of the crop, and this gives the United States a great influence in securing favourable treatment for its manufactures in Brazil. Nevertheless, as my honourable friend has said, there are many products in which an exchange could be arranged. My honourable friend mentioned raw rubber. It seems to me a very sensible and reasonable thing to expect that if we take their hard para rubber—which, by the way, is of the best quality in the world, even better than the rubber from the Straits Settlements—we should be able to send in exchange our manufactured rubber goods. We could also exchange our wheat and our flour for their coffee. So I think there is room for a considerable increase in trade. This matter should be examined very carefully by the representatives of the Government. As my honourable friend says, we do not want to lose any opportunity for trade; on the contrary, we want to make additions here and there. That we cannot have as large a trade as we have with Great Britain or with the United States is no reason why we should not negotiate with our friends in South America and see what is possible of accomplishment.

Another point of difficulty was dealt with by my honourable friend (Hon. Mr. Beaubien). I refer to the official status of the Canadian trade commissioners in South America. I think it was the unanimous opinion of the delegation, judging from what we saw and what we could learn, that the status of the Canadian trade commissioners should be improved so as to give them the standing of the commercial attachés of Great Britain and certain other foreign countries, many of them very small in area, population and wealth. I am not going into detail. The illustration given by my honourable friend is quite correct. We have in Argentina a trade commissioner, a successful one, a popular man, well equipped and well able to look after his work; but, not having official status, he was not able to get into contact with the Ministers and could not know that a change of policy had occurred. If he had had the necessary status he would have known. In this particular case he was unaware of the change after seven months, excellent trade commissioner though he is. He was absolutely sure that negotiations were of no use whatsoever.

This matter has been dealt with frequently before. It is a delicate subject, and no one has yet been able to find a solution for the problem. Since it came to my notice I have spoken to a number of my friends who were interested in the matter, and I have asked for

suggestions as to how to proceed. The best suggestion that I have heard—I think it is a good one—is this: that the Government should be asked to have this subject placed upon the agenda of the next Imperial Conference, so that it might be considered and discussed there. Australia and New Zealand have trade commissioners similar to ours, and they are all in the same inferior category. I do not look for immediate action; I know how difficult that is. Nobody on the delegation to South America expected that an expensive embassy would be set up, or considered that the present service should be interfered with. The men we have are well selected. The examinations they have to pass are strict. They are able men, and men of merit, and nothing should be done to affect their remuneration. It is thought, however, that the official stamp of authority should be placed upon them, equalizing them at least within the British Empire, and, having fixed the status of Canada on an equal basis with that of Great Britain, it would seem that the Imperial Conference should be able in some way or other to work out a solution as it did in the larger matter.

Hon Mr. CASGRAIN: If nobody else is going to speak, I should like to move the adjournment of the debate. I think I could say something on this question to-morrow.

Hon. RAOUL DANDURAND: Honourable members, as it is not quite ten o'clock, and as my honourable friend is not ready to proceed, perhaps I might have ten or fifteen minutes in which to express my views in regard to this subject.

I believe I speak the mind of every member of the Senate when I express appreciation of what we have heard from the two representatives of this Chamber on the Trade Mission to South America. From our long acquaintance with them we know that they would do us honour, and all that I have heard of them in this connection justifies our assurance. One member of the delegation, a Montrealer, told me that our two representatives had played an important part, and that wherever they spoke their remarks were listened to with attention and were greatly appreciated.

I desire to confirm what has been stated by our representatives, that South America generally is very sympathetic towards Canada and is desirous of establishing closer relations with this country. In the past eight or ten years I have met a good many South Americans, among them men who had directed the affairs of their own countries as prime ministers or foreign ministers, or as ambassadors in large European centres, and who represented their countries at Geneva, and every one of them expressed the ardent

desire that Canada should take its seat in the Pan-American Union. They gave many reasons why Canada should be in closer contact with their countries, and why representatives of Canada should meet their representatives at Washington at their meetings, held annually or oftener. I recognized, and I was not the only one to do so, that the gathering together of these representatives was most interesting from an economic point of view, and that by reason of the fact that Canada had a legation at Washington it had become easier for Canada to join in the meetings of the Pan-American Union. But unfortunately there appeared an insuperable objection to Canada's joining that union, namely, that at these gatherings the political element always came to the fore. There is considerable discussion, and often there is friction, between some of the delegates of South American republics and the Washington authorities over the interpretation of the Monroe doctrine. This debars Canada from joining the Union. If it did so it would be running the risk of borrowing trouble. We are not interested in the application or interpretation of the Monroe doctrine, and our situation would be a somewhat difficult one if we were represented there during the discussion of matters that interest South America and North America, but in regard to which we could not express an opinion, or to which we could not bring any suggestion of a satisfactory solution. In almost every conversation with delegates one would hear a statement to this effect: "Yes, Canada is very popular with us, but unfortunately it is not represented as a nation at our meetings. We lack contact. Looking northward, we should like to see another partner, another friend, beside the United States." There is no doubt that we have suffered in the economic field because of the fact that we have lacked that close contact that the United States has had with the South American republics.

I have had occasion to survey the markets of the world with a view to ascertaining which countries presented the best opportunities for an extension of our trade activities, and I have come to the conclusion that the best prospects are in South America and in the Orient. I think the general opinion in our country is that we should cultivate the South American markets. My honourable friends have spoken of Brazil and Argentine and Chile, but I think our outlook should go beyond those countries and include the whole of South America. We have also been thinking of Japan and China, and I feel that we as members of this honourable Chamber should do all that lies in our power along the lines suggested in the resolutions that have been brought to our notice, with a view to developing trade with the

South. Much thought has been given to the question of enlarging our business with Japan and China, and I think that all honourable members will agree with me that it is likewise an object that should command our constant support.

Representatives of Argentina, Brazil and Chile have suggested to me at Geneva that Canada might have one Minister accredited to those three republics; that he might reside four months a year in each of their capitals, Buenos Aires, Rio de Janeiro and Santiago; and there might be a commercial attaché from Canada living at each one of those capitals all the time. It so happens that the climate of those countries is such that a Minister from the North could comfortably make these three changes of residence every year. Many of the well-to-do people in those countries move about in a similar way.

Canada has an Ambassador in Japan, and I feel sure that within a few years, when China reaches a higher degree of stability, we shall find it necessary to have a direct representative in that large republic. Why should we hesitate to make a reasonable enlargement of our official representation abroad? Of course, we need be in no hurry to appoint a Minister to every country, but I confess that I intended to impress upon the late Government, of which I was a member—and I did, to some extent—the fact that the time had come when we should have official representation in South America. I now pass on my suggestions to the present Government. I believe that we could not do better than have one Minister accredited to the three republics that I have named, with a permanent commercial attaché in the capital of each country. Why should we hesitate to make such an appointment? Our hesitancy would indicate our failure to realize that we have come of age. A great many countries with smaller populations than ours have had official representation abroad for many years, yet Canada, one of the richest countries in the world, with a population of ten millions, has shown some timidity in moving forward. But we have reached our full majority and I believe that Canadians as a whole are ready to assume the responsibility that our present status entails. In these times of stress we should not incur any heavy expenses that might reasonably be postponed, but I feel that we should no longer delay the appointment of a representative in South America. I feel that before long we shall have to make a similar appointment in China.

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

CANADIAN HISTORIC SITES

RETURN

Hon. Mr. WILLOUGHBY: Honourable senators, I beg to lay on the Table a return to an Order of the Senate dated May 7, showing the names of places, localities or structures in each of the provinces of Canada that are known as historic sites, and indicating the historic sites that are now under the control of the National Battlefields Commission or other like authority. This information was ordered on a motion by the honourable gentleman from Pictou (Hon. Mr. Tanner). If I am permitted to do so, I shall read a few extracts from this return. The following is contained in a letter to Mr. Mulvey, Under-Secretary of State, from H. H. Rowatt, the Deputy Minister of the Department of the Interior:

Referring to the Address of the Senate, dated May 7, 1931, mover Honourable Senator Tanner, Minutes of the Senate 14, page 66, on the subject of the names and places in Canada known as historic sites, I am attaching hereto a statement furnishing the information asked for in so far as the Department of the Interior is concerned.

It is presumed that the information asked for in the latter part of the motion relating to historic sites now under the control of the National Battlefields Commission will be furnished by the Department to which the Commission is attached. It is understood that the Commission comes under the Department of Finance.

Attached is a statement which reads:

On the recommendation of the Historic Sites and Monuments Board of Canada the following sites have been acquired and marked by the Department of the Interior.

Then there is a list comprising two foolscap pages, which I shall not read. Following that is another statement, under this heading:

On the recommendation of the Historic Sites and Monuments Board of Canada the following sites have been marked by the Department of the Interior, the right to erect tablets in these cases being received through license of occupation or other form of permission from the owners of the land or structure concerned.

There are more than two foolscap pages of detail given, and following that is another list of historic sites unmarked, recommended for attention by the Historic Sites and Monuments Board of Canada.

DEPARTMENT OF AGRICULTURE EMPLOYEES

MOTION FOR RETURN

Hon. A. B. GILLIS moved:

That an Order of the Senate do issue for a return showing:—

1. The number of persons employed in the Department of Agriculture at August 6, 1930.
2. The number of such persons who served overseas in the Great War.

3. The number of such persons who are not Canadian citizens by birth or naturalization.

4. The number of such persons who are citizens of the United States.

5. The number of such persons who are citizens or nationals of other foreign countries; and the names of such foreign countries and numbers respectively of such persons who are citizens or nationals of the foreign countries respectively.

6. Similar information in regard to persons taken on for employment in the said department since August 6, 1930.

The motion was agreed to.

GOVERNMENT EMPLOYEES COMPENSATION BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 37, an Act to amend the Government Employees Compensation Act.—Hon. Mr. Willoughby.

Hon. Mr. Copp in the Chair.

On section 2—compensation to be same as under law of province where accident occurs:

Hon. G. D. ROBERTSON: Honourable senators, when this Bill was being considered in committee last week the honourable gentleman from Cumberland (Hon. Mr. Logan) asked a question, which was, in effect, whether the employees in all branches of the Government service were in favour of, or satisfied with, the provisions of this Bill. Definite information on this point was not available at the moment, and the honourable gentleman was told that an answer would be given to him when the Bill was again under consideration. The committee then rose and reported progress. It so happened that on that evening I had a conference with members of the Civil Service Federation of Canada, representing all the organizations within the Government service, and I had an opportunity to discuss this question with them. One gentleman present was doubtful whether the provisions of the Bill were adequate to meet the requirements of the particular class of Government employees that he represented. I found it was quite needless to enter into any detailed discussion of his point, because his associates of the Civil Service who were present at the meeting very quickly disabused his mind of the fear that he had. This resulted in making unanimous the endorsation of this legislation by the duly elected representatives of the various classes of civil servants, and I was authorized by the meeting to intimate to this House the Civil Service Federation's unanimous approval of the Bill.

Section 2 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

Hon. Mr. GILLIS.

THIRD READING

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

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

PRIVATE BILL

SECOND READING

Bill H, an Act respecting the Railway Employees Casualty Insurance Company.—Hon. G. V. White.

VENTURA DIVORCE PETITION

REPORT REFERRED BACK TO COMMITTEE

The Senate resumed from May 13 the adjourned debate on the motion of Hon. Mr. McMeans:

That the twenty-second Report of the Standing Committee on Divorce be referred back to the said Committee, with instructions to take no further action in the matter of the petition of Mary Ann Ventura, praying for a Bill of Divorce,

And the amendment moved by Hon. Mr. Lewis:

That all the words after the word "instructions" in the third line of the motion be struck out and the following substituted therefor: That the Standing Committee on Divorce should not as a general rule hear petitions for Bills of Divorce from those whose domicile is in a province having a divorce court, but that owing to special circumstances connected with the case, the Committee should hear and report upon the petition of Mary Ann Ventura.

Hon. C. E. TANNER: Honourable members, we had a rather interesting discussion on this matter the other day. I have only a few remarks to add. I would first call the attention of honourable members to the position in which the matter stands. The Standing Committee on Divorce submitted their twenty-second report, in which, instead of reporting favourably or unfavourably on this petition, they ask for instructions from the Senate. Then the honourable Chairman of the Standing Committee made a motion to the effect that no further action should be taken in regard to the petition. I do not understand that the Chairman is, in point of fact, wholly in sympathy with the motion which he made. I rather think that he proposed it in that form for the purpose of eliciting the views of the Senate on the subject. Following that again, the honourable member for Toronto (Hon. Mr. Lewis) moved an amendment, the substance of which is that by reason of what is called special circumstances the Senate should send the matter back to the committee, with instructions to hear and report upon the petition.

The other day we had more or less discussion about constitutional questions, that is to say, as to whether or not, by reason of the fact that Parliament had created a divorce court in the Province of Ontario, Parliament had divested itself of authority to hear a petition for a divorce from that province. In that connection we have to bear in mind a point which I think I mentioned the other day. It is this: that although the Senate has been so closely associated with this divorce business that a common idea prevails outside that the Senate is a divorce court, a person who petitions for a divorce simply applies for a private bill, just as anyone might apply for a bill incorporating a company; so it is not the Senate, but Parliament, that is the authority. If this Chamber and the other agree to the Bill it becomes a statute. If either Chamber does not agree to the Bill it does not pass.

After thinking this matter over I have no doubt in my mind as to the authority of Parliament to deal with divorce. I will take no time arguing the matter. The way I look at it is this, that so long as the British North America Act contains a paragraph stating that the Federal Parliament shall exercise power and authority over marriage and divorce, that power remains, no matter how many divorce courts we may erect in the country.

Though I have no doubts on that subject, yet I understand that the honourable members of this Chamber are unanimous in believing that these applications for divorce should now go to the courts instead of coming to Parliament. It was because of this belief that we erected the court, and I think every reasonable and justifiable means should be taken to let the people know that when a divorce is desired, and a court is available, they should go to the court and not come to this Parliament.

At the same time, I submit, it is not desirable to put on record a formal resolution which, in effect, might intimate that we are doubtful of our authority, or think that in this case there are exceptional circumstances, inasmuch as on some occasion events might happen which would justify Parliament in entertaining a petition. To pass in this House a resolution declaring that this Senate or Parliament should not hear any more petitions would be in my judgment a futile proceeding, because it would not stand. The Senate might the next week decide that there were circumstances that would justify it in entertaining the petition. For these reasons I think it is not desirable to pass a resolution on this subject containing excuses for our action.

Now, without any spirit of criticism, let me read the proposed amendment to the motion:

That the Standing Committee on Divorce should not as a general rule hear petitions for Bills of Divorce from those whose domicile is in a province having a divorce court, but that owing to special circumstances connected with the case the Committee should hear and report upon the petition of Mary Ann Ventura.

I am not in favour of putting into a formal motion anything in the form of an excuse. It is agreed that the court in Ontario has jurisdiction. There is no question about that. Well then, what special circumstances can be suggested? There are none that I can see. The mere fact that counsel happens to reside in the city of Ottawa is not a sufficient circumstance to justify us in taking action, and it should be very clearly understood in future it will not be regarded as a special circumstance. But if we pass this amendment in these words we shall have set up a precedent, and it will be easier than ever for an applicant to come in and say to us: "You agreed that there was a special circumstance in that case. Why not hear our case?" So I am submitting that it is not desirable to put ourselves formally on record in words of that kind.

As I understand it, the committee did hear all the witnesses. I think it was an error of judgment on their part, but we will excuse them. Whether or not they think there should be a report in favour of the divorce I do not know; I have not asked, and I have not the remotest idea. I feel that this is the first offence. The law in regard to Ontario was passed only a short time ago. While giving a warning the Senate might very well, in this instance—not because of special circumstances, but as a matter of grace—send the report back to the committee and let them deal with the petition.

Having these views on the matter, I am going to move in amendment to the amendment:

That all the words after the word "instructions" in the third line of the motion be struck out and the following substituted therefor:—

—to hear and report on the petition of Mary Ann Ventura for a Bill of Divorce.

If I have constructed my amendment correctly the motion as amended would read:

That the twenty-second Report of the Standing Committee on Divorce be referred back to the said Committee, with instructions to hear and report on the petition of Mary Ann Ventura for a Bill of Divorce.

I am merely cutting out all reference to the reasons and exceptional circumstances, and am endeavouring to make a plain motion that the report go back to the committee and that they hear the petition and report.

Hon. Mr. McMEANS: I do not know whether I am in order or not, but I should like to withdraw my motion, if that is possible.

Hon. Mr. DANIEL: No.

Hon. Mr. CASGRAIN: It can be done with the unanimous consent of the House.

Hon. Mr. McMEANS: I am in the curious position that, although I introduced the motion in order to bring the matter before the House, I should have to vote against it. I desire to withdraw my motion, because I am in favour of the amendment to the amendment.

Hon. Mr. DANIEL: May I express the opinion that it is better for the motion of the honourable gentleman to stand and be voted on. Really, I am in favour of the motion that the report be handed back to the committee with instructions to take no further action. That, in my opinion, is the motion that should be adopted—

Hon. Mr. CASGRAIN: That is right.

Hon. Mr. DANIEL: —and that is the motion that I intend to vote for if I have an opportunity to do so. I for one object to giving the mover authority to withdraw his motion.

Right Hon. Sir GEORGE E. FOSTER: Honourable members, I rise with a great deal of diffidence to ask honourable members whether the clause proposed by my honourable friend behind me (Hon. Mr. Tanner)—of which I am in favour—is all that can profitably be embodied in the resolution.

Hon. Mr. CASGRAIN: There is nothing before the Chair. The amendment has not been put.

The Hon. the SPEAKER: The order has been called.

Hon. Mr. CASGRAIN: The motion has not been put.

The Hon. the SPEAKER: The motion is before the House. The amendment has not yet been put.

Right Hon. Sir GEORGE E. FOSTER: When this question was before us previously I had an idea that we might in some way take a step towards its final solution. I am inclined to agree with the observation made by my honourable friend behind me (Hon. Mr. Tanner) that it is not simply the Senate that is involved, but the whole of Parliament. This case has come to us and we have been asked for instructions, and according to the motion before us it is proposed that we should give instructions. But there may be other cases in future years. Then again there is a general impression, as I understand it, that, having established a divorce court in the Province of Ontario, and all the provinces but one now having such courts, it is inadvisable that cases from those provinces should come before Parliament. At the same time I ask whether, if someone from some of those provinces came to Parliament and asked for a Bill, it would not be a severe denial of his rights to prevent him under all circumstances from getting his Bill before Parliament. What I was thinking was that the amendment might take this form:

That the Committee should hear and report upon the petition of Mary Ann Ventura; that it is desirable that hereafter divorce cases arising in the provinces possessing divorce courts should be heard in those courts—

I think we are all of that opinion.

—and that a Committee of both Houses of Parliament be appointed to consider the means best fitted to meet that end.

That covers the whole situation and enables us to come to such a conclusion as will give the greatest force to the desire which is evidenced everywhere, namely, that to the greatest possible extent the divorce courts in the provinces which have them should have full jurisdiction over divorces from those provinces.

Hon. Mr. CASGRAIN: There is nothing before the Chair yet.

Hon. Mr. GILLIS: Honourable members, the motion—

Hon. Mr. CASGRAIN: This is all out of order. The amendment has not been put.

Hon. Mr. LEWIS: May I ask the Chairman of the Committee whether the withdrawal of the motion means that the Divorce Committee will proceed with the case?

Hon. Mr. CASGRAIN: We must have a motion first.

The Hon. the SPEAKER: Order! Does the honourable gentleman wish to withdraw?

Hon. Mr. LEWIS: I asked the Chairman whether withdrawal of the motion means that the Divorce Committee will proceed with the trial.

Hon. Mr. McMEANS: Yes.

Hon. Mr. LEWIS: In that case I should be willing—

Hon. Mr. DANDURAND: But my honourable friend must not forget that if he withdraws his motion we still have the report from the committee.

Hon. Mr. McMEANS: Then there is the amendment to the amendment. I may explain that since I brought this matter before the Senate I have received information which leads me to believe that

divorce petitions from Ontario will be very rare, and that if they should be filed in any number the matter can be brought up again.

May I also correct a statement that I made the other day as to precedents? I believe that there were a couple of cases from British Columbia, and one from Manitoba, both of which provinces have divorce courts, and that the committee tried them.

When I introduced the motion I thought we might have a large number of cases from Ontario, but I am assured by the Clerk that they will be very rare, and will come before us only in cases of mixed domicile. That being so, I am in favour of not proceeding further with such a motion unless conditions should change and we should have a large number of cases.

Hon. N. A. BELCOURT: Honourable members, we gave jurisdiction to the Ontario courts to hear divorce, and I think I am stating what was in the mind of everybody when I say that we did that in order to try to rid Parliament of this business.

Hon. Mr. McMEANS: No, no. Not altogether.

Hon. Mr. BELCOURT: We could not rid it altogether? My honourable friend shakes his head. The purpose of giving jurisdiction to an Ontario court was to relieve Parliament, as far as possible, of the obligation of hearing cases from that province. My honourable friend must admit that.

Hon. Mr. McMEANS: I do not.

Hon. Mr. BELCOURT: The reason was very simple. It was a matter of convenience, not a matter of constitution. We did not change the constitution at all. Parliament has the same right to hear divorce that it always had; the Ontario Act did not make any change whatever in that regard.

Hon. Mr. McMEANS: No.

Hon. Mr. BELCOURT: But it was deemed that Parliament should be relieved of the obligation of hearing divorce cases, and that a court was the proper place for the parties to go. I do not see why we should not be consistent, and why we should not now say, as is proposed by the right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster), that it is desirable that these cases should go to the courts in Ontario. It seems to me that that would be reaffirming the intention of Parliament at the time of creating the jurisdiction in Ontario. I repeat that we gave the courts jurisdiction in order, as far as possible, to get rid of divorce. I am entirely in accord with the proposal of the right honourable the junior member for Ottawa, and I am going to support it. I think his suggestion is better than that of the honourable member for Toronto (Hon. Mr. Lewis).

Hon. Mr. McMEANS: May I correct my honourable friend on one point? While we were anxious to get rid of the numerous petitions, the fundamental principle was that we were not in a position to render justice to the applicants in cases of alimony, custody of the children and costs.

Hon. Mr. BELCOURT: That is what I meant.

Hon. Mr. McMEANS: The idea of going to the court was, in addition to the reasons given by my honourable friend (Hon. Mr. Belcourt), that the court had power as to costs, custody of the children, alimony, and such matters. But there are dozens of cases in which those questions do not arise.

Hon. Mr. BELCOURT: Quite right. Those are the reasons enumerated at length, as to why we tried to get rid of divorce here and to send it to the courts.

Hon. Mr. CASGRAIN: The Chairman of the Divorce Committee, if I understood the original motion, wanted the Senate to tell the Divorce Committee what to do. Is that correct?

Hon. Mr. McMEANS: Yes.

Hon. Mr. CASGRAIN: The honourable gentleman said that he was not wedded to the motion, but that he wanted the Senate to give instructions. If the honourable gentleman wants instructions, I may say that I agree with the honourable member from St. John (Hon. Mr. Daniel). Last year we created a court in Ontario to hear divorce cases, and these people ought to go there. There is an old fundamental principle, "Ubi jus, ibi remedium." If this woman can get a divorce in Ontario, why does she not go there? What is the use of establishing a divorce court in Ontario if we are going to continue trying divorces here?

The Hon. the SPEAKER: Honourable members, on the motion of Hon. Mr. McMeans that the twenty-second report of the Standing Committee on Divorce be referred back to the said committee, it has been moved in amendment by Hon. Senator Lewis:

That all the words after the word "instructions" in the third line of the motion be struck out and the following substituted:—

That the Standing Committee on Divorce should not as a general rule hear petitions for

Bills of Divorce from those whose domicile is in a province having a divorce court, but that owing to special circumstances connected with the case the Committee should hear and report upon the petition of Mary Ann Ventura.

In amendment to this amendment it is moved by Hon. Mr. Tanner:

That all the words of the motion after the word "instructions" be struck out, and the following words be substituted therefor:

—to hear and report on the petition of Mary Ann Ventura for a Bill of Divorce.

Hon. Mr. DANDURAND: I would respectfully draw to the attention of the Hon. the Speaker that we must dispose of the sub-amendment first.

The Hon. the SPEAKER: Those who are in favour of the amendment to the amendment will please rise.

Right Hon. Sir GEORGE E. FOSTER: I do not know what we are to vote on.

Hon. Mr. DANDURAND: We are voting on the sub-amendment of the honourable gentleman from Pictou (Hon. Mr. Tanner).

Hon. Mr. ROBERTSON: What is the effect of that sub-amendment?

Hon. Mr. McMEANS: It refers the report back to the committee.

Right Hon. Sir GEORGE E. FOSTER: I want to know what has become of my little amendment.

The amendment of Hon. Mr. Tanner was agreed to: contents, 21; non-contents, 5.

PRIVATE BILLS

FIRST READING

Bill 13, an Act respecting Grain Insurance and Guarantee Company.—Hon. Mr. McMeans.

MOTION FOR SECOND READING

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

He said: Honourable senators, with the leave of the Senate I am asking that Bill 13 be read a second time now, and that Rule 119 be suspended, in so far as it relates to this Bill. My reason for this is the fact that the Committee on Banking and Commerce meets to-morrow, and it is desired that the Bill should be considered by the committee then.

Hon. A. E. PLANTA: Honourable members, I must object to the suspension of the rule. There is too great a tendency to follow such a practice in this Chamber.

Hon. Mr. McMEANS: I am merely trying to get the Bill before the Committee on Banking and Commerce.

Hon. Mr. PLANTA: Let it go before the committee in its regular order.

Hon. Mr. McMEANS: But we may be adjourning soon.

Hon. Mr. WILLOUGHBY: We shall be meeting next week.

Hon. Mr. PLANTA: I think the tendency in this Chamber to advance bills more rapidly than the rules permit should be discouraged. That practice has been carried to such lengths that the term "railroading legislation" is being used in connection with some of the measures that go through this House. I see no reason why the regular routine should not be followed with respect to this Bill.

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

On motion of Hon. Mr. McMeans, the motion for second reading of the Bill was placed on the Orders of the Day for Thursday next.

FIRST READINGS

Bill 20, an Act respecting a certain patent of A. R. Wilfley & Sons, Inc.—Hon. Mr. Horsey.

Bill 26, an Act respecting The Restigouche Log Driving and Boom Company.—Hon. W. E. Foster.

Bill 27, an Act respecting The Subsidiary High Court of the Ancient Order of Foresters in the Dominion of Canada.—Hon. Mr. Lynch-Staunton.

Bill 31, an Act respecting the Burrard Inlet Tunnel and Bridge Company.—Hon. Mr. Crowe.

MOTION FOR SECOND READING

Hon. Mr. CROWE moved the second reading of Bill 31, an Act respecting the Burrard Inlet Tunnel and Bridge Company.

He said: Honourable members, by leave of the Senate I am asking that this Bill be read a second time. I spoke to the Hon. the Chairman of the Railway Committee, who has agreed to call a meeting of the committee on Thursday, and I should like to have the Bill ready so that it could be dealt with at that time.

Hon. Mr. CASGRAIN: I agree entirely with the remarks of the honourable member from Nanaimo (Hon. Mr. Planta). Notice has to be posted up for a week before the committee can consider a Bill that comes from the other House.

Hon. Mr. CROWE: Notice has to be posted only forty-eight hours in advance. The Bill would not get before the committee on Thursday, anyway.

Hon. Mr. DANIEL: We have time to take it in its regular order.

Hon. Mr. CROWE: That may be, but this matter is very urgent, and the Bill has gone through the other House.

Hon. Mr. DANDURAND: I would draw the attention of honourable members to the fact that suspension of rules has generally been asked for only towards the end of a session, when the time for dealing with bills is getting short. As far as this Bill is concerned, it would not be given the Royal Assent until another supplementary supply bill is going through, probably not before the end of May or early in June. I confess that I have noticed a tendency to abuse the practice of suspending rules. Our Rules and Orders have been made for the protection of interested parties and of the public in general. After a bill is introduced in either House it goes through various stages, each of which is separated, according to the Rules, by a certain minimum period of time, and these intervals are provided so that all parties interested and the public in general may have due notice of when a bill is to reach any particular stage. Speaking generally, I think that at this stage of the session, in the best interest of this honourable Chamber, we should hesitate before we suspend rules that have been laid down for our guidance.

Hon. Mr. WILLOUGHBY: I quite concur in the remarks that have just been made. Undoubtedly there are occasions when the House agrees that suspension of the rules is advisable, because the circumstances are out of the ordinary; but I think that as a general thing we should not suspend the rules merely for the purpose of speeding up some legislation which can be passed in its regular order without inconvenience to the public. Comment has been made in another place, and to me more than once, that in this Chamber we are a little too ready to suspend rules and rush bills through, although we have abundant time which we do not see fit to occupy in sittings of the House. I appeal to honourable members not to ask for second reading of bills earlier than the rules permit, nor for suspension of the rules, unless there is a real emergency. If there is an emergency, there is no doubt that the House will respond to a request for suspension, when the matter is explained; but as to general practice in future, I agree with the honourable leader on the other side (Hon. Mr. Dandurand), who has had long experience in this House.

Hon. Mr. McMEANS: I hope the honourable gentleman will himself follow out exactly what he has suggested. I think that he has moved as frequently as any other honourable member for second reading with leave of the House.

Hon. Mr. CASGRAIN: Notice of motion should be given when an honourable member intends to ask that rules be suspended.

Hon. Mr. FORKE: I am glad this point has been raised. The honourable leader on the other side referred to the necessity of abiding by the rules for the protection of the public. I think that the rules should be followed for the protection of honourable members as well. I have in mind one Bill that was given first, second and third readings very rapidly in this House: afterwards I was sorry that I had not objected, because when I had time to consider the Bill I felt that I should not have voted for it.

Hon. Mr. CROWE: I certainly should not ask for second reading of this Bill to-night if there were not an emergency. If the Bill does not come up again before Thursday, and if we adjourn for ten days or two weeks—

Hon. Mr. ROBERTSON: No, no.

Hon. Mr. WILLOUGHBY: We shall not adjourn before Friday, anyway.

Hon. Mr. CROWE: If the Bill goes through this week I shall not object.

Hon. Mr. CASGRAIN: But it will not be sanctioned then. That will not do the honourable gentleman any good.

Hon. Mr. CROWE: That is a question.

Hon. Mr. WILLOUGHBY: In my remarks a few moments ago I was speaking generally, and not with reference to this Bill.

Hon. Mr. CROWE: This is a case of emergency. The bridge involved has been out of commission since last September and the people are anxious to get the Bill through so that contracts to repair the bridge can be let.

Hon. Mr. TANNER: I think the Senate is going to turn over a new leaf, by sitting instead of adjourning.

Hon. Mr. CROWE: It needs to.

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

Hon. Mr. WILLOUGHBY: If any honourable senator gives his word that the second reading is a matter of extreme urgency, without going into any detail about it, I will consent to a suspension. But so far as I am concerned, I should not like honourable members to abuse a concession of that kind.

Hon. Mr. McMEANS: I made a motion for second reading a few minutes ago. There is just as much necessity connected with my Bill as with this one, and I do not see why they should be treated differently. The solicitor interested in the Bill that I am sponsoring is here from Winnipeg and is desirous of appearing before the Committee on Banking and Commerce on Wednesday; but he will have to stay here a number of days. I am not objecting to second reading for the Bill now under consideration, because I do not feel inclined to oppose such a request for suspension of the rule, but I complain very bitterly of the treatment accorded to me. I think what is sauce for the goose ought to be sauce for the gander. The honourable leader of this House (Hon. Mr. Willoughby) should in future bear in mind the remarks he made, because in the past he has been as active as any other honourable member in moving, with leave, that bills be given second reading.

Hon. Mr. WILLOUGHBY: Divorce bills.

Hon. Mr. McMEANS: And other bills too: plenty of them. I do not know why I should be marked out for special treatment to-night, when another honourable member makes a motion similar to mine and his goes through.

Hon. Mr. DANDURAND: No, it has not gone through yet.

Hon. Mr. WILLOUGHBY: It has not gone through yet.

Hon. Mr. DANDURAND: The honourable gentleman who is sponsoring this Bill (Hon. Mr. Crowe) need not be fearful of a little loss of time, because sanction cannot be given to the Bill before the Deputy Governor comes down. The honourable leader of the House (Hon. Mr. Willoughby) can perhaps tell us whether the Royal Assent is likely to be given to private legislation before another supply bill is brought down.

Hon. Mr. CROWE: The City of Vancouver, North Vancouver, and the surrounding district, as well as West Vancouver, are interested in this Bill. If it passes the Senate, they will feel assured of the Royal Assent being given later, and they will be in a position to call for tenders for the work. Delay in passing this Bill would inconvenience a great number of people.

Hon. Mr. KING: It is the municipalities of Greater Vancouver, North Vancouver and West Vancouver, who desire this Bill. I know that the Reeve of North Vancouver and other officers have been in Ottawa waiting to be called before the committee. Now, if it is not too much to ask that this matter be facilitated, such action would be greatly appreciated by the municipalities affected.

Hon. Mr. ROBERTSON: Honourable members, I have no objection whatever to the legislation referred to in this Bill, but I would respectfully point out that the Bill has just been introduced. It has not yet had second reading. Objection has been made by several honourable gentlemen to second reading being given. There is no possibility of the Bill getting Royal Assent for some time. This House will continue to sit this week, and, no doubt, again next week, because interim supply must be granted. I respectfully suggest that under all the circumstances there is no reason why we should depart from the standing rules that we profess to follow. I do not think our doing so would make any material difference. I think it is unwise to carry on a controversy of this sort when there appear to be differences of opinion in the House in regard to the Bill.

Right Hon. Sir GEORGE E. FOSTER: I am at a disadvantage, because members speak so low and so softly, or my ears are getting a little dull. I asked my honourable friend what Bill was under consideration. He gave me the name of the Bill, and I looked on the Order Paper, but the Bill is not mentioned there.

Hon. Mr. ROBERTSON: It has just been introduced; it received the first reading, and the second reading is asked for it.

Right Hon. Sir GEORGE E. FOSTER: I do not think we dare do a thing like that if we would hold our reputation. Gracious! The other day a third reading came very near passing, just like a snap of the finger—a Bill that I considered to be a very important one. If we legislate in that way we shall lose all reputation as a parliamentary body. If somebody's life depended on it, or some serious thing of that kind, I should not object to hurried action. We can only justify ourselves, one with the other, by following our rules, unless some emergent condition arises.

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

On motion of Hon. Mr. Crowe, the second reading of the Bill was placed on the Orders of the Day for Thursday next.

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

THE SENATE

Wednesday, May 20, 1931.

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

Prayers and routine proceedings.

PRIVATE BILL

REPORT OF COMMITTEE ADOPTED

Hon. F. L. BEIQUE presented, and moved concurrence in, the Report of the Committee on Miscellaneous Private Bills, to whom was referred Bill F, an Act respecting The Canadian Woodmen of the World.

He said: I have the honour to report Bill F, an Act respecting The Canadian Woodmen of the World. Section 2 as printed in the Bill has been replaced by the following section, which has the approval of the Superintendent of the Department of Insurance:

2. The Executive Council, elected or appointed in accordance with the by-laws of the Order, shall have power on or before the first day of April, 1932, to transfer from the surplus in any benefit fund or funds of the Order to the General Fund such an amount as may be recommended for that purpose by the Actuary of the Order, such amount not to exceed, however, the amount of the deficit in the said General Fund as of the thirty-first day of December, 1931, or in the aggregate the amount of sixty thousand dollars, whichever is the less.

The motion was agreed to.

THIRD READING

On motion of Hon. Mr. Beique, with leave of the Senate, the Bill was read the third time, and passed.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill I, an Act for the relief of Agnes Sarah Evelyn Ballard McNaught.

Bill J, an Act for the relief of Dorothy Helen Marie Debnam Almon.

Bill K, an Act for the relief of Rosa Maud Thomson Checketts.

Bill L, an Act for the relief of Mary Ellen Margaret Montague Burrows.

Bill M, an Act for the relief of Olive Hamley Fraser Mann.

Bill N, an Act for the relief of Eleanor Fritz Lawson.

Bill O, an Act for the relief of Florence Marshall.

Bill P, an Act for the relief of Ellen Jane Easton Graham.

Bill Q, an Act for the relief of Gordon Aaron.

Bill R, an Act for the relief of Rita Margaret Mary Longmore.

Bill S, an Act for the relief of Joseph Norman Berger.

Bill T, an Act for the relief of Carl Vohwinkel.

Bill U, an Act for the relief of Joan Marguerite Loggie.

Bill V, an Act for the relief of Alice Boyne Ostiguy.

Bill W, an Act for the relief of Ruth Rosenberg.

Bill X, an Act for the relief of Eileen Sybil Wolfe.

Bill Y, an Act for the relief of Helen Borland Beattie MacNicol.

Bill Z, an Act for the relief of Lillian Freedman Guttman.

LAW CLERK AND LAW LIBRARY OF THE SENATE

DISCUSSION

Before the Orders of the Day:

Hon. F. L. BEIQUE: Honourable members, with the leave of the House I should like to call the attention of the Government to the fact that the late Mr. Creighton, Law Clerk of the Senate, has not been replaced. It is very important that this position should be filled as soon as possible by the appointment of a competent barrister, because without such an officer we have no means of consulting anybody on legal matters, unless we go to the Minister of Justice.

I should like also to call the attention of the Government to the fact that Mr. Creighton left a most valuable library. It is, I know, a library that cannot be replaced, and I cannot insist too strongly that it should be kept absolutely intact as the property of the Senate.

Hon. W. B. WILLOUGHBY: Honourable members, I will make it my duty to convey the substance of my honourable friend's remarks to the Prime Minister and to the Minister of Justice. I realize the necessity of having a Law Clerk or someone with whom to consult. I have not discussed a change in the present method of procedure, nor do I know it to be the policy of the Government to make a change, but perhaps we should have a Parliamentary Counsel who would deal with the legislation coming before both Houses, and would have a subordinate official in each House.

As to the library of the late Mr. Creighton, I shall take that matter up at the very earliest moment when I can get access to

either of those very busy gentlemen, the Prime Minister and the Minister of Justice.

I do not know accurately to what extent this library was the property of the Law Clerk.

Hon. Mr. BEIQUE: It is the property of the Senate, and should be kept intact.

Hon. Mr. WILLOUGHBY: I am not unfamiliar with the library. My tastes impel me to make use of libraries, and I have been to this one very often. I do not think there should be any difficulty in keeping the library intact for the use of the Senate, and I shall be very glad to take up the matter and report upon it later.

Hon. R. DANDURAND: If my memory serves me correctly, we had, some years ago, a joint committee of the Senate and the House of Commons to reorganize some of the services of the two branches of Parliament under a plan providing for joint supervision by the two Houses. It was suggested that there should be but one Parliamentary Law Clerk, and that he should have an assistant in each branch. The Senate at that time was of the opinion that it should retain its autonomy and have its own Law Clerk. The Law Clerk of the Senate is appointed, I think, by the Civil Service Commission on the recommendation of the Senate itself, or its Internal Economy Committee. At the time I speak of there was considerable discussion as to what appertained to the Government and what to the Senate.

Hon. Mr. WILLOUGHBY: I do not remember that. It must have been a good many years ago.

Hon. Mr. DANDURAND: A few years ago.

Hon. RODOLPHE LEMIEUX: Honourable members, as a former Speaker of the House of Commons I had the privilege of being in daily contact with the Law Clerk of that House; and I know that for some years past, when Mr. Creighton was failing in health, the question whether it would not be preferable to have the law clerks of the House of Commons act also for the Senate was openly discussed. Everyone knows that in view of the financial position of the country this is a period of strict economy. Knowing Mr. Troop and Mr. Ollivier, both doctors of law and able parliamentary counsel, I think they would make excellent officers for both Houses. Indeed, the late Mr. Creighton told me that he found very little to alter in the legislation which came here from the other House. Under such circumstances I merely suggest that again there should be some inquiry into the question whether it might not be preferable to have those two very able gentlemen act for both branches of Parliament.

Hon. Mr. BUREAU: Where would they be stationed?

Hon. GEORGE PARENT: Honourable members, I have not much to add to what the honourable gentleman from Rougemont (Hon. Mr. Lemieux) has just said; only that as Chairman of the Private Bills Committee of the House of Commons last session and a few sessions before, I thought it proper to have a report made by the two law officers whose names have just been mentioned. Every time their report came before me in the committee I wished very much that others could be there to appreciate the value of the work of these officers. I fully agree with the honourable senator's remark that if the services of these two men were available, the members of a committee would know better what should be done with legislation.

Hon. Mr. WILLOUGHBY: With the permission of the House I would make another observation, in reference to what the honourable senator for Quebec (Hon. Mr. Parent) has said. I have no adverse comments to make on the ability of the law officers of the other House. I think they are both capable, and are giving satisfaction. But it does suggest itself to me that as we are the revising House, one of our primary functions being to scrutinize carefully and to revise the legislation that comes from the House of Commons, we cannot very well ask the legal officers of the Commons to revise a Bill which they have presumably supervised and put before that Chamber. That would be a most anomalous position to place them in.

My own suggestion, made a few moments ago—and I have no idea whether or not the change, involving the expenditure of more money, would meet the views of the Government—is that we should have an officer of our own, the Commons should have its own officer, and over those two there should be perhaps a Parliamentary Counsel, a man of eminence as a draughtsman. I think that in the consideration of bills in committee we ought to have at our disposal the services of a legal authority. Undoubtedly the House of Commons does much more work than the Senate, and its sittings are more frequent; therefore I am afraid that when we needed a law clerk to assist us in committee he would not always be available if we were dependent on the services of one man. In dealing with a Bill in committee we want to know whether

or not the Bill is properly drafted, and whether it is competent for this House to do what is proposed.

Hon. Mr. DANDURAND: That was the conclusion arrived at by that joint committee.

Hon. Mr. WILLOUGHBY: I had not the advantage of knowing that.

Hon. Mr. BELCOURT: I desire to say, in two words, that I entirely agree with the remarks of the honourable leader of the Government. I think we should have a Law Clerk of our own here, and not be dependent on the Law Clerk of another House, for the reasons given by my honourable friend, and for others which I might mention if I thought it necessary to do so.

THE BEAUHARNOIS PROJECT

QUESTION OF PRIVILEGE

Before the Orders of the Day:

Hon. W. L. McDOUGALD: Honourable members of the Senate, before the Orders of the Day, I rise on a question of privilege. According to the newspapers of this morning the honour and integrity of myself as a member of this House have been attacked in another place, and I desire to draw attention at once to a statement which I made in the Senate in April, 1928, regarding my position in the much-discussed Beauharnois Power Company. Newspaper articles had reflected on myself and other members of the National Advisory Committee reporting on the St. Lawrence Waterways. It was insinuated that our decisions and recommendations were influenced by personal interest in power developments on the St. Lawrence. In this House I stated at the time that I had no interest in the Beauharnois Power Company nor in the syndicate. That was absolutely true and correct. I may say at once that up to that time I had been invited on many occasions to become a member of that syndicate, but had always declined. After that date I was asked again, and had the whole project investigated from every angle. When I was satisfied that it was a proper project for me as a member of this Senate, as a business man, and as a citizen of Canada, to take a financial interest in, I agreed to do so. Some six months later, in October, 1928, I took an interest in the Beauharnois syndicate. I want to assure this House and the country that I was not considering politics or party in any way in becoming a member of that syndicate, and was influenced solely by my business judgment.

I may add that I put into the syndicate dollar for dollar with every other member of it, and when it was dissolved I received my portion of the common stock in the new company, and my portion of the money distributed, as did every other member of that syndicate.

Now I have no apology to make for accepting the chairmanship of that company, nor have I any apology to offer on behalf of the company. I state at once that the men who had the vision and the courage to undertake the building of that great power canal, with all its potential advantages, should be commended instead of being condemned.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. McDOUGALD: At the present moment the Beauharnois Power Company are employing 3,000 men on the site of the work, and they are employing 3,000 men in factories manufacturing parts. That is 6,000 men, and that figure, when multiplied by 5, which is the average number dependent on the working man, shows that at the present time about 30,000 people of this country are obtaining their daily bread through the activities of the Beauharnois Company.

I need hardly point out to honourable members of the Senate that a project of such magnitude is bound to be criticized in certain circles, but I can assure you that before the $30,000,000 of debentures were bought from the Beauharnois Power Company the bankers who undertook to underwrite them had every phase of the company investigated by the best legal brains in Canada. To convince honourable gentlemen that the project had the most careful consideration from the legal point of view, I need only mention a few of the legal lights who passed upon the undertaking. The firm of Lash, Anglin and Cassels were representing the Dominion Securities Company, who were one of the backers. In Montreal Mr. Aimé Geoffrion, who is known from one end of Canada to the other as one of our ablest lawyers, was the legal adviser of the company; Brown, Montgomery and McMichael were the legal advisers of Holt, Gundy and Company; and the firm of Meredith, Holden and Howard were the legal advisers of Newman, Sweezey and Company. The Bank of Montreal, the Royal Bank of Canada, and the Canadian Bank of Commerce associated themselves with the backers and underwrote the securities; and I say at once that they would not be a party to a deal of such magnitude without examining into it very carefully and considering every aspect of the situation.

It was also stated that I had made $30,000,000 out of the deal. The statement is so ridiculous that I feel it is hardly necessary to make reference to it. As the market value of Beauharnois shares to-day is quoted at $6, it is obvious to any honourable gentleman and to the country that the statement is quite erroneous.

I ask honourable gentlemen again to take my word and my assurance that when I made the statement in this House it was the truth, and nothing but the truth. In another place a committee is to be appointed to investigate this whole Beauharnois project, and I am confident that the whole thing will be cleared up there to the entire satisfaction of both Houses of Parliament and the country at large.

REFLECTION UPON THE SENATE

QUESTION OF PRIVILEGE

Before the Orders of the Day:

Hon. Sir ALLEN AYLESWORTH: Honourable members, I ask the indulgence of the Senate for a moment to bring before your attention another matter of privilege, which to my mind affects each member of this honourable House. On looking over the official record of proceedings of the House of Commons of yesterday—not Hansard, but the Votes and Proceedings of the Commons—I find a notice that to-morrow a member of that House will publicly ask the Government, in regard to the appointment of an honourable member of this House, whose name is mentioned: "Does he possess the necessary education?" If that question can be asked of one honourable member of this House it can be asked of each and every one; and, speaking for myself, as a member of this honourable Chamber, I resent such an inquiry, no matter from whom it comes.

Some Hon. SENATORS: Hear, hear.

CRIMINAL CODE (ESCAPES BY FLIGHT) BILL

SECOND READING

Hon. G. LYNCH-STAUNTON moved the second reading of Bill G, an Act to amend the Criminal Code.

He said: Honourable senators, this Bill is the same as one that I introduced at a former session. At the very outset I wish to make it clear to honourable members that this is not a bill to disarm the police, nor is it a bill which would circumscribe the right of the police to use any force they choose in arresting or seeking to arrest a person charged with a crime formerly known as a felony. I feel it necessary to make these statements because, although the last time I introduced a similar measure I made the same point perfectly clear, I have been told that the purpose of my Bill is to disarm the police. An honourable member of this House told me last night that he was opposed to the Bill for that very reason. I hope it is now distinctly understood that the Bill has no such object. It is intended simply to prevent the police from shooting or maiming a person whom he seeks to arrest for a misdemeanour.

At common law, and that is the law of Canada, misdemeanours are generally punishable by fine or imprisonment, formerly without, but now with or without hard labour, according to the circumstances of each case. Our criminal law formerly recognized two classes of offences, one known as felonies and the other as misdemeanours. This is one of the most important points of my argument, and I particularly draw the attention of honourable members to it, so that my position may be clearly understood. Felony is punishable in various modes, as by death or penal servitude for life, or lesser terms, many felonies having special punishments attached to them. Where no specific punishment is provided, felony is punishable by penal servitude for not less than three years, or imprisonment for not more than two years, with or without hard labour. Felony, strictly speaking, includes treason, although the terms are generally used as opposed to one another. Instances of felony in the more usual sense of the word are: piracy, murder, manslaughter, rape, larceny, robbery, burglary, arson, some kinds of assault, and certain acts resembling treason.

In order to be concise in my statement of the law, I took the liberty of writing to the judge who is perhaps the most eminent in criminal law matters in England. He was courteous enough to reply and give me an exposition of the law as it stands in England to-day. I asked him if I might mention his name, and he told me that if I found it advisable to refer to him in the Senate I should simply say he was a member of the Court of Criminal Appeal of England. I can assure honourable members that he is regarded by all lawyers in Canada as the highest authority on criminal law. My purpose in writing him was to ascertain under what circumstances a policeman or any officer of the law was justified in, or had an excuse for, shooting to death or maiming a fleeing criminal or a person charged with an offence. Here is what this great English jurist says is the law:

An officer of justice may justify the killing of a person flying from arrest for treason or felony,—

I have already stated what felony is.

—but to justify it, it must be shown that the felon could not be otherwise overtaken, and if he could be taken in any case without such severity it is at least manslaughter in him who kills him, and the jury ought to enquire whether it was done of necessity or not. But where the person has committed a misdemeanour only and is flying from arrest the officer must not kill him though there is a warrant to apprehend him and though he cannot otherwise be overtaken. If he does kill him, it will in general be murder, but it may amount only to manslaughter if it appears that death was not intended.

My contention has always been that section 41 of the Criminal Code, which is the section that would be amended by this Bill, does not justify the killing of a person under any circumstances. The section merely means that an officer may use such force as is necessary to arrest a fleeing person alive. But some inferior tribunals, such as magistrates' courts and county courts, have decided that the section justifies an officer in shooting anyone, whether guilty or not guilty, charged or not charged, who seeks to escape by flight. In a moment or so I shall give an illustration of an outstanding case that was decided along that line.

Our law in this connection is exactly the same as in England. In England they have the common law; in Canada we have the common law codified. At one time a Royal Commission was appointed in England to consider the question of codifying the law. The Commission drew up a code, but it was not adopted, because the judges took the stand that its adoption would be imprudent for this reason, among others: that some important cases might be accidentally omitted from the code, and this might result in the introduction of technicalities into the administration of the law, since, if there is a code, judges are bound by the very letter of it. However, Sir John Thompson, when he was Minister of Justice, did adopt a code; but he wisely included a clause which particularly and clearly declared that the common law, unless directly repealed—

Hon. Mr. BEIQUE: What clause?

Hon. Mr. McMEANS: Sixteen.

Hon. Mr. LYNCH-STAUNTON: —should remain in force. That is provided for in section 16 of the Code, which reads:

16. All rules and principles of the common law which render any circumstances a justification or excuse for any act, or a defence to any charge, shall remain in force and be applicable to any defence to a charge under this Act except in so far as they are hereby altered or are inconsistent herewith.

An officer has a right to arrest without a warrant any person whom he knows or reasonably suspects to be guilty of a felony, and if such a person attempts to escape and the officer cannot otherwise arrest him, he is entitled to shoot at him. That is the law, beyond a doubt. If the officer does shoot at a person under such circumstances, and is later brought to trial, he justifies himself, as lawyers say, or excuses himself, under section 16 of the Criminal Code, which preserves all the defences that existed before the Code was enacted.

Now, as I have already said, the purpose of section 41 is not to legalize a fatal shooting. That is covered by section 16. The first reported case which lays down a decision with respect to section 41 is a Manitoba case which went to the Court of Appeal of that province and is reported in 13 Canadian Criminal Cases. That case started the ignorant on their unlawful course, and inspired the findings of some magistrates and county court judges. In that case a man who was caught breaking into a shop with intention to commit theft was detected and chased by an officer who shot at and fatally wounded him. The trial judge—I think it was Mr. Justice Perdue—told the jury, in substance, that if they found that the deceased man had been about to rob the shop, or that the officer had reasonable grounds for suspecting him of such intention, the officer was justified in shooting him, or was excused, if the man attempted to escape and the officer could not overtake and capture him except by shooting. Mr. Justice Perdue laid down the law exactly as it is stated by the English judge whom I have already quoted. As I have said, the law was in that case rightly interpreted by the trial judge, if I may say so, because the decision was afterwards confirmed by the Manitoba Court of Appeal; but my objection is that it has been applied to entirely different facts.

Now I want to cite a few cases in point. Such instances are happening all the time. The other day two boys escaped from the Industrial Home in Toronto. As they went down one of the streets of the city they saw a motor car standing by the side of the road. They got into it, but did not know how to operate it. Then they noticed one of the attendants of the Industrial Home talking to a policeman, and they jumped out of the car and ran. The policeman pursued them and shot one of them.

Hon. Mr. MICHENER: Dead?

Hon. Mr. LYNCH-STAUNTON: No, thank heaven, he was not dead. He was shot twice,

and fell in a heap. The officer was prosecuted, and the boy went into the witness box and told his story. He said that when he saw the Home attendant he ran away, and that as he was about to climb over a fence he heard shots fired, and he fell. He said that there was no call to him to stop—nothing to let him know that he was being pursued, and that after he had been shot, as the officer came up to him, he said to the officer, "You are a dirty coward for shooting me." That was all the evidence. The officer was not called to state that he could not overtake the boy, or to show any excuse or justification whatever for his action. Yet the magistrate, a magistrate of the city of Toronto, told the officer that it was his duty to shoot the boy, and discharged him on the spot. I have here a copy of a newspaper containing all the particulars of the case, but instead of reading them I have given you an exact summary of what happened. Incredible as it may seem, the defence was not called upon to present any evidence.

The other night at Belleville an old man was seen in the railway yards, from which someone had been stealing brass fittings. When this man was found there he started to run away, and although the constable did not know what the man was doing, he shot him. Fortunately he did not kill him.

I think, honourable members, that the present situation is outrageous. Emerson once defined civilization as "the sanctity of human life." According to his test, those peoples who keep the strongest safeguard against the taking of human life are in the most advanced state of civilization.

Not long ago a Canadian rum-runner—Captain Bluett, I think, was his name—was killed by an American officer. In the eyes of some people rum-running is a greater offence than murder. Yet the Toronto Star, a strong prohibition journal, headed this item of news, "Murder of Captain Bluett." That newspaper interviewed me to secure my opinion on the case. I said that I did not see that Canadians had any cause to complain, because in this country—at least, as the law is administered in Ontario and Quebec—a police officer may shoot anybody who runs away, though that person may be guilty of only the very slightest crime. To this the Star replied, "Guilty of no crime." In commenting upon the case the Star went on to say that in Ontario to-day there is a condition of continuous martial law, and it cited a case in which an unknown man had been shot by a policeman in Toronto and had been allowed to lie for twenty-four hours before being identified.

At a meeting held in Fennel Hall the other night one of the most distinguished citizens of the United States condemned what he called "licensed legal murder." People are becoming outraged by this sort of thing. I had thought that in the United States a police officer had the right to shoot a fleeing man whether he was innocent or guilty. I have here, however, an article which commends the action of a certain judge in a case of this kind, and which has caused me to change my view. An officer was told that a motor car carrying men suspected of being bootleggers was about to pass a certain place at which he was stationed. The car was easy to identify, because on one side of it there was a white curtain. When the car came by the officer shot one of the men in it through the heart and killed him. The officer was arrested and tried, and he set up as his defence that he was aiming at the wheels. The State Attorney, who is an elected official, refused to prosecute. This was in Dakota, where, I suppose, the temperance sentiment is strong. However, a judge ordered that the officer be indicted and that a special prosecutor be appointed to lay the case before the jury. The jury convicted this man of manslaughter, and the conviction was sustained by the Court of Appeal. The report of this case is a lucid exposition of the law of the United States, and it goes to show that when their law is enforced it is the same as the law of England, and, I am convinced, of Canada. One of the Appeal Court judges said:

> I am loath to throw any unnecessary burden upon officers in the discharge of their duties. But when their safety is in no way endangered and all they have to fear is the possible escape of a miscreant wanted for a misdemeanour, they should devise some means of taking him alive.

I know that throughout the country there is a misapprehension as to the intention of this Bill, and that certain officers in the provinces, without inquiring at all into the Bill, have given opinions against it to the Minister of Justice. The last time I brought up the Bill the Attorney General of one of the provinces—I am not sure now which one—sent a protest here, and later, after receiving a copy of the Bill, wrote to me apologizing and saying that he had misunderstood it; that he had thought its purpose was to prevent the arming of the police.

I have stated the law, of which I have made a most careful study. I want to satisfy the Senate that my only desire is to protect persons who are innocent or are accused of only minor offences. If the Bill is given

second reading, I shall move that it be referred to a special committee for consideration and report, and it will be understood that any honourable member may reserve the right to vote against it later on.

Hon. Mr. BEIQUE: In order that the honourable gentleman's argument may be better followed, I suggest that he place on record section 41 of the Criminal Code and the amendment that he proposes.

Hon. Mr. LYNCH-STAUNTON: Section 41 of the Criminal Code reads as follows:

41. Every peace officer proceeding lawfully to arrest, with or without warrant, any person for any offence for which the offender may be arrested without warrant, and every one lawfully assisting in such arrest, is justified, if the person to be arrested takes to flight to avoid arrest, in using such force as may be necessary to prevent his escape by such flight, unless such escape can be prevented by reasonable means in a less violent manner.

My proposal is that this be repealed and the following substituted therefor:

41. Every peace officer proceeding lawfully to arrest, with or without warrant, any person for any offence for which the offender may be arrested without warrant, and every one lawfully assisting in such arrest, is justified, if the person to be arrested takes to flight to avoid arrest, in using such force as may be necessary to prevent his escape by such flight, unless such escape can be prevented by reasonable means in a less violent manner, if such force is neither intended nor likely to cause death or grievous bodily harm.

With this explanation I move the second reading of the Bill.

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

REFERRED TO SPECIAL COMMITTEE

Hon. Mr. LYNCH-STAUNTON: I now move that the Bill be referred to a committee consisting of Hon. Messieurs Béique, Beaubien, Belcourt, Dandurand, Griesbach, McGuire, Spence, McMeans, Murphy, Tanner, Willoughby and the mover.

Hon. Mr. McMEANS: How in the world are you ever going to reach an agreement among so many lawyers?

The motion was agreed to.

TRADE MISSION TO SOUTH AMERICA

DISCUSSION CONCLUDED

The Senate resumed from yesterday the adjourned debate on the inquiry by Hon. Mr. Beaubien:

That he will call the attention of the Senate to the recent Canadian Trade Mission to South America, and inquire whether the Government intends to follow the recommendations of the Mission looking to the expansion of Canadian trade to that continent.

Hon. J. P. B. CASGRAIN: Honourable members, my first duty is a very agreeable one: I wish to congratulate most heartily and sincerely the honourable gentleman from Montarville (Hon. Mr. Beaubien) upon the remarkable speech that he made yesterday, in which he once again demonstrated his industry and ability. His example might well be followed by the younger members of this House who are anxious to do something in the interests of their country. It may be apropos at this time to remind honourable members that not only is the honourable gentleman from Montarville a very distinguished lawyer in Montreal, but he is possessed of such energy that when he once decides to do a thing there seems to be no obstacle that he is unable to overcome. Some honourable senators will remember that immediately after the war, in which France had been bled almost to death, he went across to that country and actually succeeded in getting the French Government to vote a very substantial sum of money to provide no less than forty huge motor vans, the sides of which would open, and by means of which Canadian goods were exhibited throughout that country. Without remuneration, simply with the idea of serving this country and showing what Canada had to sell, he travelled all over France, from place to place, addressing two or three meetings a day, and succeeded in creating a great enthusiasm for Canada and Canadian goods. I do not believe that Canada has ever been advertised in such a way, either before or since. All this was done by the honourable gentleman from a sense of duty as a member of this House.

On another occasion he was in New York with some friends when Marshal Joffre and Mr. Viviani were in the United States. The honourable gentleman conceived the idea of bringing these two famous men to Canada. Those who were with him were rather doubtful about the success of his efforts. In the first place, he did not know the French Ambassador, who was charged with looking after the welfare of Marshal Joffre and Mr. Viviani; nevertheless, somehow or other, during the morning he managed to get acquainted with this Ambassador, Mr. Jusserand, and before evening Mr. Jusserand was quite willing to accede to his proposal. Then another obstacle arose. The chief of the United States detective service, a man, I think, by the name of Bill Nye, said that he was responsible for the safety of these gentlemen and that if they left the United States his responsibility must come to an end. It was then arranged to have the Government provide a special train to bring them here—

I myself telephoned from New York to the honourable the Speaker of this House, who asked if it was Senator Beaubien who was speaking—and we all remember how Mr. Viviani delivered before both Houses of Parliament one of the most eloquent and inspiring speeches to which it has ever been our privilege to listen. The honourable gentleman from Montarville also succeeded in inducing Marshal Joffre to come to Montreal, and the Marshal's visit created a very good impression in the Province of Quebec.

Now the honourable gentleman has accomplished a very great deal in connection with the Good-will and Trade Mission to South America and the West Indies. He did not wait for anybody to tell him what to do, but personally interviewed the Ministers of Trade and Commerce in both Argentina and Brazil.

I think I may say, therefore, that our honourable colleague is a credit to this House and to himself, and that he is always willing to work for the public good.

I wish also to pay my compliments to the honourable member from Prince Edward (Hon. Mr. Horsey). As was demonstrated yesterday, he very ably seconded the efforts and the views of the honourable gentleman from Montarville, and a great deal was done to advertise Canada.

The debate on this question took place only last night, and as I have not had much opportunity to condense what I wish to say, my remarks may take a little more time than I intend. It was Pascal who wrote: "I beg your pardon for the length of this letter; I have not had time to be brief."

Most of us who were not fortunate enough to make the trip followed the progress of the Mission day by day in the newspapers. There was only one thing missing from their accounts. I thought that the speeches made were reported, but I failed to see that many speeches were delivered by the honourable gentleman from Montarville. That was a disappointment to everybody who knows the honourable gentleman. The people of South America do not know him very well, or they would have had him speak to them.

The burden of the speeches of yesterday was that our trade commissioners have no official status. Why is this? It is because we have no consuls. Why should we not have consuls? In another place some twenty years ago the late Honoré Gervais, who was Professor of International Law at Montreal University, made a speech in which he endeavoured to show the importance and necessity of Canada having consuls. The honourable gentleman from Rougemont (Hon. Mr. Lemieux) will remember that the gentleman finished his speech in Latin. But somehow or other the British Government, or the British people, who are very keen when it comes to a matter of shillings and pence, were not sympathetic, and as a result we have always been at a great disadvantage in having to try to sell Canadian wares through British consuls. Naturally, when the British consuls are asked where certain things can be bought, they refer the inquirer to Leeds, Manchester, Sheffield, or Birmingham before mentioning any place outside of the British Isles. I cannot blame them for that; it is part of their business to bring trade to the British Isles. This lack of consuls may seem a small affair when we remember that the British Government allowed us to have our own Ministers in Japan, France, and the United States. But these Ministers are diplomats; they are not commercial agents. Our situation in this regard reminds me of the time when Britain gave India some of her splendid regiments; for instance, the Bengal Lancers, a cavalry corps equal to, or perhaps better than, any other in the world; also the Sikhs, a regiment of magnificent men commanded by English officers. But Britain gave them no artillery. Some years ago, when there was a threat of war, a parley was arranged, and they came to the English people and said: "Look here, we are going to rebel, but you cannot use your artillery in the war: it would not be fair." That was very prudent, because, as everyone knows, with artillery the British forces could do away with the Hindoos before they could use their rifles.

We were surprised when we heard yesterday of the great amount of interest that the British Isles are taking in Argentina. I understand that the British people have larger sums invested in Argentina than in Canada. Naturally they want some returns on their investments, and they are perhaps more eager to do business with Argentina than with their colonies.

In the report of the Good-will Trade Mission there are twenty-six recommendations, and they all appear to be good. It is easy to have good intentions, but to put them into practice is more difficult. This trade with Argentina is not what might be called new. For instance, in 1886 Cook Brothers' mills at Servant River were cutting about 25,000,000 feet, board measure, for Argentina, and it was being cut on specifications of 13 and 16 feet in length, clear lumber. Those mills are opposite Manitoulin Island, near Blind River and Spanish River, and half way on the railway line

between Sudbury and Sault Ste. Marie. In those days there was one schooner, with an auxiliary towing two consorts, and I think those three boats together carried nearly a billion feet of lumber. They went down Georgian Bay, through Lake Huron, Detroit River, Lake St. Clair, and across Lake Erie to Tonawanda, where the lumber was put into barges on the Erie Canal, which had only six feet draft of water at that time, and taken down to Troy and Albany, whence Saxe Brothers, the agents of Cook Brothers, shipped it straight to Argentina. This was forty-five years ago.

In later years the Canada Cement Company did a very profitable trade in cement with Argentina, I am told. Even in little Newfoundland there was a trade with South America. The last time I was in Newfoundland I saw a magnificent four-masted schooner loaded with fish right from the warehouse of Hon. Mr. Monroe, the Prime Minister, whose warehouse for dried codfish was at the sea-shore. I did not take very much interest in the cargo of salt codfish, but I admired the wonderful steering gear, a contrivance that was absolutely new to me. It was a beautiful schooner, and I was informed that the trip would take about thirty days from Newfoundland to Buenos Aires.

A Nova Scotia captain who was bowling down the east coast of South America with a fair west wind, after a trip of over 6,000 miles, said to the mate: "In twenty minutes we should see the lights of Montevideo. Send someone aloft." Fifteen minutes later a voice called from the crow's-nest, "Light on the starboard bow!" It was the lights of Montevideo. The captain was five minutes out in his reckoning.

The wonderful development of Buenos Aires is to a very great extent due to an English engineer called Sir Robert Perks, who was well known in Canada, as he came here and wanted to build the Georgian Bay Canal. He had a great deal of money from the great Methodist banks in London. He told the people here that he had dredged the bar of La Plata River. Alluvium during centuries had formed an enormous bar, and I do not think there was more than ten or twelve feet of water over it. Before that bar was dredged the population of Buenos Aires was around 200,000, but after the bar had been removed and the harbour of Buenos Aires properly excavated, and wharves built, the population jumped in twenty years from 200,000 to 2,000,000. The channel that he made at that time—I do not know whether it is deeper to-day—was twenty-two feet deep; and that was the maximum draught of ships that could enter the harbour.

Canadian seamen are also very familiar with La Plata River, and people fond of sailing may have heard the stories told during the last fifty years. Our seamen had been sailing ships drawing not more than ten or twelve feet of water across the bar. Going up the river they were towed, and they came down with the current on their return journey.

I recall these facts simply to show our dear friends who have just come from that mission that they need not think themselves new Christopher Columbuses who have discovered South America.

Argentina has a population of over 10,000,000. It extends from Bolivia on the north to Cape Horn, a distance of twenty-three hundred miles; say 30 degrees of latitude. The greatest width is 930 miles, from the Andes to the ocean. It is described now as extending to Cape Horn. But where are we to find Tierra del Fuego, which, I always understood from the geography, was separated from the continent by the Strait of Magellan? Tierra del Fuego was so named because the crews of the ships that went through the Strait of Magellan in the old days saw on the shores the fires that had been lighted owing to the severity of the climate. I cannot understand why no mention is made of Tierra del Fuego, unless the explanation is that Argentina has annexed it to her territory.

In Argentina there is an immense area of 225 million acres available for grazing, ranching, wheat raising, and so on; an area equal, I believe, to that of our three Prairie Provinces. In a short period the population has doubled, because of a large influx of people from Spain and Southern Italy, who find the climate very much like their own. Meat is very cheap there, and is one of the principal articles of diet; in fact, an average of 198 pounds per capita is consumed annually. Notwithstanding what the medical profession may say against the eating of meat in large quantities, these people seem to thrive on it.

Argentina withdrew from the League of Nations in 1920, and has refused to renew her membership, despite the solicitations of Sir Eric Drummond, the Secretary of the League, and a unanimous request from the League members.

Hon. Mr. DANDURAND: But she pays her annual dues.

Hon. Mr. CASGRAIN: But she does not want to send representatives to listen to the speeches.

Hon. Mr. DANDURAND: She may next year.

Hon. Mr. CASGRAIN: I am sorry that the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) is not in his seat at the moment.

Argentina adopted the gold standard in 1927, and it has a huge debt of one billion dollars, although there has been no recent war. The country became independent one year after the battle of Waterloo. A glance at the map of South America shows that Brazil and Argentina occupy most of the continent, the rest being divided among the other twenty republics. Uruguay has a population of about half that of the Province of Ontario.

May I be permitted to say a few words about the Pan-American Union? In Washington there is a beautiful building where representatives of the twenty-two South American republics meet, together with representatives of the United States. They have there a chair which has been labelled "Canada," in the expectation that we would join the Union. A gentleman came to Montreal and at a banquet there invited Canada to become a member of the Union; but I cannot see how we could accept such an invitation, because Canada belongs to the British commonwealth of nations. A reference was made to the Monroe Doctrine. Well, as all honourable members are aware, this was named after President Monroe, but it really was the work of one of the Cannings. There were three Cannings, and I do not know which one this was. It was arranged that the United States should stand on guard to prevent European powers from taking a share in the politics of the American continent. But Canada already was a British country, and England found it easier to retain possession while the United States prevented any other European country from attempting to acquire territory on this continent.

I believe that Canada should have consuls in South America. In my hand I have a sheet published by the United States Government, showing some of the services that can be performed by consuls. The sheet shows at the top the number of American consuls in various parts of the world, as follows: 209 in Europe, 90 in Asia, 24 in Africa, 35 in South America, 11 in Central America, 91 in North America, 17 in Australia and 23 in the West Indies. Those figures are very interesting. For instance, in South Africa we possibly have one or two trade commissioners who are not possessed of diplomatic status. I ask honourable members, what chance have they to represent our country in competition with the 24 trained consuls from the United States, each of whom has a status? Most of the 91 consuls who represent the United States in North America must be in Canada, because, I suppose, there are not very many in Mexico.

This sheet is divided into various sections to show what can be done by consuls for the separate departments of the American Government. The Department of State, which is the first department in the United States, gives the following list of headings: Protection of American citizens; protection of American interests; political and economic reports; consular courts; extra-territorial notarial services; depositions and commissions; relief of American seamen; estates of American seamen; citizenship; registration of Americans; passport services, Americans; alien visa control; deaths of Americans; estates of deceased Americans; witnesses to marriages; recordation of vital statistics; miscellaneous correspondence.

I might remark here that the United States, with its population of 120 millions and its huge wealth, manages to get along with only ten government departments, and they seem to be doing their work very efficiently. Perhaps Canada could learn a lesson from the United States in this regard.

Then the sheet gives a list of consular duties that may be performed for the Treasury Department, under these headings: protection of revenue; documentation of merchandise; valuation of imports; landing certificates; protection of public health; bills of health; sanitary reports; disinfection of merchandise; prohibited importations, smuggling; prohibition laws; valuation of currencies; war risk insurance; investigations, reports, payments.

The War Department is third, with these consular duties listed: purchases of raw material; supplies and equipment; geographical data; topographical data; Philippine matters; military inventions; military progress.

Then the Department of Justice: extradition; estates of American seamen; crimes on high seas; notarial services; depositions and commissions; reports regarding anarchists, etc. That is something that would be of interest to us.

And the Post Office Department has these headings: reports on postal conventions and regulations; parcels post; postal banking; American Post Office at Shanghai.

Then comes the Navy Department: reports on hydrographic data and charts; lighthouses; harbour and coaling facilities; wireless stations; river and harbour markings; port rules and regulations; geographic and marine data; movements of vessels.

The seventh on the list is the Department of Agriculture, and the consular services in connection with that department are set out as follows: crop reports and estimates; market reports; plant introduction; weather reports; disinfection of hides, rags, etc.; plant quarantine; insecticide and fungicide regulations; reports on irrigation projects; entomology; biology; horticulture, and general agricultural matters.

Then under the heading of Interior Department is this list: pension matters; patent applications; patent interference cases; reports on education; geological surveys; mines and mining; reclamation and conservation.

The Department of Commerce, which is No. 9 on the list, specifies these services: extension of American trade; voluntary trade reports; called-for reports and investigations; trade opportunities; navigation; American vessels; entry and clearance; American seamen; shipment; discharge; desertion; marine protests; reports on fisheries; lighthouses; measures and standards; coast and geodetic surveys.

Finally, the Department of Labour has this list: immigration; Chinese exclusion laws; section 6 certificates; reports on labour conditions; labour legislation.

Then there is the following list of services that may be rendered to American citizens in general: general correspondence; replies to individual trade inquiries; answers to miscellaneous inquiries; receipt and forwarding of mail; advice and assistance to travellers, tourists and salesmen; representation; notarial acts; protection of interests so far as laws and regulations permit; welfare and whereabouts.

This chart or statement concludes with the following remarks:

> American Consuls serve practically every branch of our Government, every business man, and either directly or indirectly every private citizen.
>
> This chart shows how information gathered by them is concentrated in the Department of State and then distributed to the various governmental agencies and to private concerns and individuals.
>
> A consul's more important duties are shown, but by no means all of them.

Ministers look after the political end of a country's representation abroad, but business matters are attended to by consuls. It is high time that we appointed more consuls. Why should we keep ministers in certain countries when consuls would cost us considerably less? I do not know that the British Government has not been in favour of our enjoying consular services in certain countries; I am not making any charge, but the thing looks strange. I know that when Canadians try to do business abroad they always find the British Consul enquires first whether goods can be obtained in Britain instead of in any of the Dominions. No one can accuse me of being anti-British. As I have said before, I do not believe in having at Washington, for instance, seven different representatives of the King. If they all are to agree, one would be enough; and if they are to disagree, there are six too many. However, that is—

Hon. Mr. DANDURAND: Settled.

Hon. Mr. CASGRAIN: The consular service and the diplomatic service are different things; although, I am aware, in some small European countries, like Denmark and Sweden, the ambassador—or minister, for there are only seven ambassadors in the world—is minister and consul combined. When I visited Holland I spoke to the minister, who was good enough to visé my passport, and I did not have to pay for it. I should have been born Scotch.

If this Trade Mission has demonstrated one thing more than another it is Canada's need of more consuls. A country sending ministers abroad before consuls is like a child trying to run before he has crawled along the floor. The consular service should be established first, and then, if we can afford it, the appointment of a minister may be made. We should not put the cart before the horse.

Hon. F. L. BEIQUE: Honourable senators, I am sure that every honourable member of this House was deeply impressed with the importance of the address delivered yesterday by the honourable gentleman from Montarville (Hon. Mr. Beaubien). I hope that the honourable leader of the House (Hon. Mr. Willoughby) will draw to the attention of the Prime Minister the fact that a great deal of valuable work may be done for Canada if the suggestions made by the honourable gentleman are followed.

Hon. J. S. McLENNAN: Honourable senators, I am not able, nor should I care to attempt, to deal with the vast amount of information which has been given to us in the address of the honourable member from Montarville (Hon. Mr. Beaubien) in connection with South America. We have had presented for our attention a great deal of matter that should be given very careful consideration.

Notwithstanding the eloquence of the honourable senator from Montarville, I was under a misapprehension last night in respect to his reference to the British Minister in Argentina, who, I understand, is a man of

great experience, energy and ability. However, apparently I had heard the honourable gentleman somewhat imperfectly and had not clearly understood all the debate that followed. I learned, on reading Hansard this morning, that it was a matter entirely concerning our own commercial agent, and that he was rescued from what might have been an embarrassing position by the tact and savoir-faire of the two distinguished gentlemen who had the interview with the Minister of Argentina. It was not, as I had thought, the British Ambassador or any of his staff who did not know the situation. Considering the fact that in Buenos Aires there is one of the finest newspapers of Latin America, I was somewhat astonished that our commercial representative had not become aware, even unofficially, that the entire policy had been changed. It is not easy to believe that such a vital change of policy by the new Government, or the establishment of a commission to give effect to that policy, would fail to secure a prominent place in the news. It seems intolerable that information concerning any such thing should be in the possession of a British embassy, a British legation, or a British consul, and not be open to an authorized representative of Canada. If that is the situation, it should be changed at once. I find it hard to believe that it is the general practice not to pass on such information when it is germane to the interests of Canada or one of the other Dominions.

There is no question that the relations of Canada with foreign countries will, as the years—one might almost say the months—go by, become more and more important and vital to our country, because we can produce, not only in raw materials, but in manufactured products, far more than our ten millions of people can use. Therefore it must be the wish of everyone in this country that the way should be cleared for those who go out to develop our trade; and it seems to me that if, as would appear to be the case, our trade commissioners and the British embassies or legations or consuls in foreign countries are in air-tight compartments, it is only necessary that proper representations should be made to London in order to remedy the matter.

Our colleague from Prince Edward (Hon. Mr. Horsey) suggested that the next Imperial Conference might consider this question with a view to removing existing difficulties. It seems to me that one method of amelioration —and I speak without any special knowledge on the subject—would be to have a Canadian commercial attaché at the British legations and embassies. The expense of maintaining these attachés would be borne by Canada, and they would report to Canada, withholding nothing, of course, from the representatives of the Empire in the places where they were stationed.

Hon. Mr. CASGRAIN: That has been refused. The embassies would not have strangers within their gates.

Hon. Mr. McLENNAN: That might be reconsidered. I am bound to say that I should like to see a concentration of the energies of the Dominion and of Great Britain in that way rather than that emphasis should be laid on the apparent disposition of Canada or of any other British Dominion to break away from the Mother Country. I would call the attention of the honourable gentleman who suggested the establishment of legations or embassies to the account in Holy Writ of a young gentleman of Judea who, when he came of age, was filled with a desire to show his independence, and took his patrimony, went off to a foreign country and squandered his substance, just as we are doing with our money in building expensive legations. I do not think that we want to follow the example of that ill-fated young Hebrew.

Hon. Mr. DANDURAND: What does my honourable friend say of the twenty countries, all much smaller than Canada, which have their representatives all over the world?

Hon. Mr. McLENNAN: I would say that that is a condition which has developed from time past, when countries, even though quite close together, carried on business with one another through such representatives. They were concerned, not with what we are considering, namely, the development of trade, but with the larger questions of international relations and high politics.

Hon. Mr. DANDURAND: My honourable friend approves, I suppose, of the action of Sir Robert Borden in establishing a legation in Washington?

Hon. Mr. McLENNAN: As a good Conservative I undoubtedly do. As an individual I think that possibly it was somewhat premature. I am in sympathy with it inasmuch as in the gradual building up of a regular diplomatic corps there would be an incidental advantage. It is this: we are developing, and with the increasing importance and increasing wealth of Canada there will grow up a considerable number of young men who do not need to work for a living, and who, having financial resources behind them that would permit them to take an expensive training and to maintain themselves, not in splendour, but without being bitten by the necessity of

constantly thinking of their daily expenditures, would find in diplomacy a most useful and pleasant way of serving their country. Some of these young men may have no great genius for any of the ordinary professions, and no great incentive to make more money, but may feel attracted to public service outside the ordinary political sphere. To many of them, perhaps to the choicest spirits among them, there would be an appeal in a diplomatic or representative life, in working for the benefit of Canada in supplying her with information and suggesting methods by which her prosperity could be increased.

Hon. Mr. WILLOUGHBY: In order to develop that phase of the matter, I should like to ask the honourable gentleman whether he means that they should be of consular rank. Are they going into what he calls the diplomatic service, or what?

Hon. Mr. McLENNAN: I should say the diplomatic service. None of these things are absolutely fixed. We are to-day utilizing machinery which was invented long ago, and to which additions have been made through the ages. That machinery can be modified. As I understand it, a consul has not access to the governing body of a state. That is one of the reasons why I suggest commercial attachés. Probably within a very short time a number of young men of the kind I have mentioned could be trained and placed in the service of the country, and if we established a legation they would be fitted to go there.

I have looked up certain information as to Argentina, as the honourable gentleman opposite (Hon. Mr. Casgrain) has obviously done, and I find that in that country England has, first of all, an ambassador. I have made some inquiries about him, and I find that he is just such a man as I have described. There are on his staff a counsellor and a commercial counsellor. As I understand it, the counsellor ranks above the chargé d'affaires and is the highest official in the embassy next to the ambassador himself. In the city of Buenos Aires there are now available for Canada a consul general and four vice-consuls, a somewhat elaborate staff even for a very important place.

Should there be anything in what I have said that commends itself to the representative of the Government in this House, I should be glad if he would call it to the attention of the Government.

Hon. RODOLPHE LEMIEUX: Honourable gentlemen, I have followed this debate with a great deal of interest, and I wish to offer my congratulations to the honourable member from Montarville (Hon. Mr. Beaubien) upon the very clear statement that he gave us yesterday of his Good-will Mission to South America. There is one point that I should like to commend to my fellow members. The honourable gentleman from Montarville said yesterday that the public men he met in South America—in Brazil and Argentina—were familiar with the French language and the English language. I have noticed recently that in the city of Toronto, and also in the city of Montreal, there are two or three high schools where the Spanish language is taught to young men and young women; and I understand that in certain schools in the United States the teaching of Spanish is compulsory. The language of a nation is one of the keys that open the door of trade with that nation. If you send to South America agents of private firms or agents of the Government who cannot speak the language of the country, which is Spanish, or, in the case of Brazil, Portuguese, you cannot expect to advance very far in business. I therefore hope that the remarks of my honourable friend on that point will be heeded by the teachers of Canada, and that the language of South America will be taught in our schools so that we may make progress, commercially speaking, in our relations with the peoples of that continent.

The honourable gentleman impressed me, and other members of the House, with the possibilities of Canadian export trade to Argentina and to Brazil. We may expect imports from Brazil, for that country has something to sell us, even though practically all that we could import from Brazil may be found in the British West Indies. I do not see very clearly what is to make up the trade to Canada from Argentina. However, it is important to us that we should export our goods, and the honourable gentleman (Hon. Mr. Beaubien) has given a list of manufactured products which can easily be sold if properly advertised and if Canada is properly represented on the ground.

I regret, honourable members, that my honourable friend, who is an expert in goodwill expeditions, did not refer to the remarkable speech delivered by that brilliant young commercial traveller of the British Empire, His Royal Highness the Prince of Wales. The Prince of Wales spoke at Buenos Aires at the opening of the great exhibition there. Although he has not been brought up in an atmosphere of business, his speeches prove that he is endowed with extraordinarily good common sense. His Royal Highness said in his speech: "To trade means to exchange, to barter"—I am not quoting his exact words, but I give their meaning—and he added that

if we wished to trade we must give and take, and must remove the barriers erected by all the nations, as being so many obstacles. Now I do not wish to criticize the policy of the Government. I am one of those who believe that in this Chamber we should speak of the Government with all due respect, and give it fair play, and that we must always take it for granted that it means well. But I say that if a Government organizes a trade mission to South America, or to any other part of the world, it ought to make an offer of exchange, and not erect tariff barriers so high that it is impossible to exchange and to barter with prospective customers.

The honourable member for Montarville (Hon. Mr. Beaubien) did not say—what I think my friend from De Lanaudière (Hon. Mr. Casgrain) said a moment ago—that the pathway between Canada and South America was an old one. For almost 35 years I have represented the constituency of Gaspé, and I have often listened to the tales of my old friends the pilots, the sailors, or the mariners. There is not one old pilot or mariner on that coast who did not, thirty or forty years ago, take ships from Percé, or Paspebiac, or from the Bay of Gaspé, and carry cargoes of dry codfish from the Baie des Chaleurs, which I call the Mediterranean of Canada, to South America. That was the pioneer pathway between the Maritime Provinces—in which I include the Gaspé Peninsula—and those southern countries.

We are already known in the south. We have some commercial affiliations. I need not say that from Quebec in the old days lumbering firms like Ross and Hall—to mention only those two—sent to the south shiploads of that magnificent square timber which came down in rafts from the Ottawa River to the St. Lawrence, and to the old city of Quebec. In fact, the prosperity of Quebec was due to the lumbering operations. Therefore we have only to re-open and improve this pathway, and I am sure that with the modern equipment this country can afford to have there is a considerable trade to be fostered between the South American nations and Canada.

I cannot for the life of me understand the attitude of my friend—and the dearest of friends at that—from Sydney (Hon. Mr. McLennan), who seems to contemplate with some alarm the presence of a Canadian diplomat in South America. All he wants is second-hand Canadian representation through the British legation or the British embassy, as the case may be. As the honourable leader of the Left (Hon. Mr. Dandurand) said yesterday, and quite pointedly, it is about time that we should appreciate our status. When I say status, I mean our relative importance in the world.

What has given Canada such prestige in Europe of late years? At the League of Nations, where the representatives of the peoples of the world are congregated, Canada has not only been a member, but has spoken for North America. Let us not forget that important fact, honourable gentlemen. Canada is the only nation north of the Rio Grande that speaks for North America. All those nations of the south are also represented at the League. I know that a little incident occurred some years ago at Geneva, which caused the resignation of two delegates, one from Brazil and one from Argentina; but that was a question of pique, which can easily be healed, and I think it will be healed in time.

We have a great prestige in South America, first of all through our association with the British Empire; secondly, because of the manly efforts which have been made by Canada of late years to become one of the great trading countries of the world; also because of the immense potential wealth of Canada—our St. Lawrence River, our prairies in the West, our mines, which have only been scratched, and very slightly at that. But in order to promote our trade with those countries, as I have said, we must be in a position to give and take; and, further, we must send our agents there. My honourable friend from Montarville (Hon. Mr. Beaubien) tells me that the Canadian firms which are already represented in Argentina and Brazil are doing wonderfully well because their men are on the spot.

Take our great Sun Life Assurance Company. I am not one of its directors, but I have been insured in that company since I was a mere student. Wherever I went—in Japan, in South Africa, in France, in England, in the United States—the finest insurance buildings and the most prosperous insurance operations were those of the Sun Life of Canada. I am told that in South America that company has made wonderful headway of late years. Take the Royal Bank of Canada: it has branches all over South America. If our country were as well represented as such institutions by men of ability, by men of commercial training, and if we had some sense in our tariff, as I have said, we should succeed there, in a short time, as we have succeeded elsewhere, as a trading nation.

The presence of Canadian ministers in South America would not hurt the feelings of Great Britain. Britain understands that Canada has

come of age; and she takes pride in our national progress and the development of our resources. Sir Robert Borden found the British Government was quite ready to give its approval to the establishment of a Canadian Legation at Washington. I am sure that if my honourable friend the leader on this side of the House (Hon. Mr. Dandurand) would tell all he knows of the history of the formation of legations at Paris and Tokio—in connection with which history he could say, "Quorum pars magna fui"—he would reveal how easy it had been to obtain the unanimous agreement of British statesmen to the change of our status in these two capitals. Are we not satisfied to-day that we did the right thing in establishing these legations?

Some twenty-five or twenty-six years ago, Hon. Sydney Fisher, the then Minister of Agriculture, went to Japan to attend the great exhibition at Osaka. It was the first time that the matter of developing trade between Canada and Japan had been brought to the attention of the Japanese. Mr. Fisher and the Hon. Arthur Boyer, who possessed a keen intellect and was the son of a successful business man, closely connected with the Hudson's Bay Company in the old days, arranged with Japanese business men for the operation of bakeries during the time of the exhibition to familiarize the Japanese people with Canadian wheat. I visited Japan three or four years afterwards, and at every place of any importance on the long route from Tokio to Nikko, I found one of those bakeries, where bread was being made from Canadian wheat and freely distributed amongst the people. It seems to me that in the years to come, if we followed some such course in China we might open up a large market for our wheat, though I realize that some people think it very unlikely that we shall be able to do this. However, the point I am making is that if we wish to build up trade with other countries we must send our representatives abroad.

Canadians, whether English, French, Scotch or Irish, are well able to give a good account of themselves anywhere. I think the honourable gentleman from Sydney (Hon. Mr. McLennan) should cast away his fears. It is true that we are a nation within the British Empire, but the important fact is that we are a nation; and we shall not be acting in accordance with the best traditions of British citizenship if we are afraid to assume the responsibilities of a nation. We are well able to meet conditions as they arise, and to do business with any part of the world. I support with all my heart the statement that was made yesterday by the honourable senator from Montarville (Hon. Mr. Beaubien) with respect to the need of legations in South America. But in my opinion we should not have one minister for three countries, as was suggested by the honourable leader on this side (Hon. Mr. Dandurand). While we do not need to go in for ostentation in this matter, I think that we should have a legation in Brazil for Brazil and in Argentina for Argentina. I doubt very much that it would be proper from a diplomatic point of view to have one representative accredited to two or three different countries. Furthermore, the cost of separate legations would not be unduly heavy, in comparison with the advantages that would accrue.

A remark made by the right honourable member from Eganville (Right Hon. Mr. Graham) last night brought to my mind the memory of some incidents of 1910-11. The right honourable gentleman asked the honourable senator from Montarville whether there was not some danger of tariff retaliation by the United States if a preference were given to Brazil. The Reciprocity Pact of 1911 was brought about because of the threat from Washington of the operation of the so-called big stick policy, which had been passed by Congress. We were then giving preferential treatment to France and Switzerland, if I am not mistaken. It so happened that at about that time our beloved Governor General, Lord Grey, represented Canada at a big celebration in Philadelphia, and he gave to that city an oil portrait of its most distinguished son, Benjamin Franklin. That portrait had an interesting history, for it had been seized in Philadelphia during the war of 1812 by an ancestor of Lord Grey who was a general in the British army. The return of the portrait by Lord Grey was one of the outstanding incidents of the celebration. Shortly after that the Governor General was invited to be a guest of President Taft in Washington. The President told him how sorry he was to have to give effect to the drastic tariff legislation against Canada. He said, in effect: "I am sorry, but the tariff will have to be put into force, unless something is done that will enable me to suspend it. Canada is our neighbour and one of our best customers. I love Canada, I spend my summers there, and if there is any way by which I can avoid the operation of this tariff clause against her, I shall be glad to take advantage of it." And he asked Lord Grey if something could not be done by way of reviving the Reciprocity Pact of 1854-66, which had brought prosperity to both countries. He said, "This would enable me to prevent the use of the big stick against Canada." Lord Grey returned to

Ottawa and delivered his message to Sir Wilfrid Laurier, Mr. Fielding and Mr. Patterson. To make a long story short, they entered into communication with Washington, and the famous Knox-Fielding Pact was the result. I do not wish to bring this issue to life again, for, as Disraeli said of protection, it is dead and buried; I am referring to it simply from a sentimental point of view. I am always surprised at the animosity that was displayed against a trade arrangement with our neighbour at that time, when each country was a good customer of the other. If I may say so, I think that the discontent which has arisen in our own Canadian West can be attributed to the rejection of that pact in 1911. I know that there was a great deal of sentiment against it, especially in the Province of Ontario and in the Maritimes. It was said that United Empire Loyalists would not stand for such a trade arrangement with the United States. However, I remember that in 1891 unrestricted reciprocity with the United States was endorsed by a majority in the loyal province of Ontario; and one of the most able advocates of reciprocity at that time was Sir Richard Cartwright, himself a distinguished United Empire Loyalist. I imagine that I can still hear him saying to his colleagues in Council, "The battle of the Plains of Abraham has cost the Cartwrights a great deal."

After the addresses that we heard yesterday, particularly those by the honourable senator from Montarville (Hon. Mr. Beaubien) and the honourable member from Prince Edward (Hon. Mr. Horsey), I feel sure that some action will be taken to expand Canada's trade with South America. But if we are going to take advantage of our opportunities there we need to consider the situation very carefully. Above all things we should cease erecting tariff barriers, which at present are creating new animosities all over the world. All countries are surrounding themselves with tariff walls as high as Haman's gallows. But that is not the way to expand business.

I regret, honourable senators, that I have taken up so much time. I am entirely in accord with the eloquent plea delivered by the honourable member from Montarville (Hon. Mr. Beaubien) for the establishment of Canadian legations in South America. We should go further and educate more of our young men to speak Spanish and Portugese, in order that they may be able to communicate with the people of Brazil and Argentina. If at the present time it is not convenient to appoint ministers to these two countries, we should not delay any longer in at least sending consuls there. As Sir Wilfrid Laurier said, if the nineteenth century belonged to the United States, the twentieth century is Canada's.

Hon. Mr. DANDURAND: I should like to inform the honourable gentleman from Rougemont (Hon. Mr. Lemieux) that at the present time there are a number of governments which have accredited one representative to more than one country. At the moment I am thinking of a South American country which has one minister accredited to both Germany and Austria. That representative travels back and forth from Berlin to Vienna.

Hon. J. LEWIS: Honourable senators, I desire to speak only in regard to one point that occurred to me when the matter of the status of our representatives was being discussed. From all that I have read about South America I have gathered the impression that the people of that continent are very fond of ceremony and dignity, and that merchants who have tried to sell them goods have found it necessary to adopt leisurely and ceremonious methods. Apparently the British Government were impressed by a consideration of that kind when they sent so dignified a personage as the Prince of Wales to represent them at the exhibition at Buenos Aires. Possibly in those South American republics the dignified status of a country's representatives has a certain commercial value.

IDENTIFICATION OF ALIENS BILL

FIRST READING

Bill A1, an Act to provide for Alien Identification Cards.—Hon. Mr. Casgrain.

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

THE SENATE

Thursday, May 21, 1931.

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

Prayers and routine proceedings.

PRIVATE BILLS

THIRD READING

Bill C, an Act to incorporate Acme Assurance Company—Hon. Mr. Horsey.

SECOND READINGS

Bill 13, an Act representing Grain Insurance and Guarantee Company.—Hon. Mr. McMeans.

Bill 20, an Act respecting a certain patent of A. R. Wilfley and Sons, Inc.—Hon. Mr. Horsey.

Hon. C. W. ROBINSON, for Hon. W. E. Foster, moved the second reading of Bill 26, an Act respecting the Restigouche Log Driving and Boom Company.

Hon. G. D. ROBERTSON: I do not think anything has been said in explanation of the contents of this Bill. The honourable member in whose name it stands is not here. I wonder whether the honourable gentleman who has moved the second reading is able to give us any information about the Bill.

Hon. Mr. ROBINSON: I only know that it relates to the Restigouche Log Driving and Boom Company, which was organized in the Province of New Brunswick a great many years ago to drive logs on the Restigouche river. There have been considerable changes in the proprietorship of the limits along that river and the tributary stream, and, I believe, in connection with the issue of bonds, which eventually have been paid off. This is just a private matter among the owners of the limits, and I understand that they all are agreed. I have no further explanation to offer. I was asked by the promoter of the Bill in another place to interest myself in it, and I have done so to the extent of moving the second reading. I do not think there is any objection from any source whatever.

Hon. Mr. ROBERTSON: My honourable friend's remarks would indicate that there is no public interest involved.

Hon. Mr. ROBINSON: No.

Hon. Mr. CURRY: How about salmon fishing?

Hon. Mr. ROBINSON: My honourable friend may know more about that than I do. I know the Bill does not give any rights that would interfere with salmon fishing, beyond the rights possessed in the past.

Hon. Mr. CURRY: There is a good deal of swearing about the salmon getting tangled up in the logs.

Hon. Mr. ROBINSON: I might swear myself if I got tangled up.

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

MOTION FOR SECOND READING

Hon. Mr. GRIESBACH, for Hon. Mr. Lynch-Staunton, moved the second reading of Bill 27, an Act respecting the Subsidiary High Court of the Ancient Order of Foresters in the Dominion of Canada.

Hon. Mr. DANDURAND: Can the honourable gentleman tell us what the Subsidiary High Court of the Ancient Order of Foresters is?

Hon. Mr. McMEANS: What is the Bill all about?

Hon. Mr. GRIESBACH: While I happen to know something about this, I am not the sponsor of the Bill. He is not here, and I am not in a position to explain it.

The motion for the second reading stands.

SECOND READING

Hon. Mr. CROWE moved the second reading of Bill 31, an Act respecting the Burrard Inlet Tunnel and Bridge Company.

Hon. Mr. BELCOURT: Explain.

Hon. Mr. CROWE: Honourable members, I will give you as briefly as I can the history connected with this Bill. In 1910, by special Act, Parliament gave the Burrard Inlet Tunnel and Bridge Company power to construct a bridge across the Second Narrows of Burrard Inlet. Under this Act plans of a bridge were approved by Order in Council and by the Board of Railway Commissioners, after being investigated and reported upon by a royal commission of Government engineers. In 1925 the bridge was completed at a cost, in round figures, of $2,000,000, of which the Dominion Government contributed about $270,000, the British Columbia Government $120,000, and the City of Vancouver, the City of North Vancouver, the District of North Vancouver, and the District of West Vancouver, the balance.

In 1927 a steamship proceeding outward collided with the central span of the bridge and damaged it to some extent. The bridge company entered action against the steamship company in the Admiralty Court, and the steamship company counterclaimed against the bridge company. The trial judge gave judgment in favour of the bridge company, whereupon the steamship company appealed to the Exchequer Court of Canada, which sustained the judgment in favour of the bridge company. The steamship company then appealed to the Privy Council, which reversed the judgments of the two Canadian courts. Hence this Bill to validate the original Bill of 1910 in order to give the company power to reconstruct the portion of the bridge which was damaged.

Last year a log barge that was being towed on a very long line by the tug Lorne struck the bridge. The tug got past the bridge, but the flood tide caught the barge

and drove it against the bridge, the collision taking out a 300-foot span. The bridge company started to reconstruct the span, but during this work of reconstruction the Privy Council gave its decision, which in effect was a declaration that the company never had the right to build a bridge that interfered with navigation. This prevented any further work of reconstruction, and the company now comes to Parliament asking it to pass this Bill to allow that work to proceed.

Hon. Mr. McMEANS: Has the Bill passed the House of Commons?

Hon. Mr. CROWE: Yes.

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

TRADE MISSION TO SOUTH AMERICA

APPRECIATION OF REPORTS

Hon. H. W. LAIRD: Honourable members, with the consent of the House I should like to mention a matter which, perhaps, should have been referred to before the Orders of the Day, or might more properly have received attention yesterday or the day before, at the close of the discussion arising out of the reports of the delegates on the Mission to South America. I was not present when that discussion ended, or I should probably have called attention to the matter then. I had noticed—and I was reminded of it when I read in Hansard the report of the discussion—that nearly every member who took part in the debate paid a very high tribute to the report presented by our friend from Montarville (Hon. Mr. Beaubien), but on no occasion was there any reference whatever to the very able report presented by our friend from Prince Edward (Hon. Mr. Horsey). This oversight appeared to me to be so marked that I thought it would be only fair to raise the point in the House, so that justice might be done to our friend from Prince Edward, particularly in view of the very able address which he made on the subject.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. LAIRD: I have heard it remarked by members of this House and by members of the press that the honourable gentleman from Prince Edward made one of the best statements that have ever been delivered in this Chamber. His statement was a model of diction, and quite obviously had been very carefully prepared. I do not desire to make invidious comparisons, and I am not suggesting that his effort transcended that of our friend from Montarville (Hon. Mr. Beaubien), whose reputation for clear and precise statement is unquestioned; yet I do feel that the presentation made by our friend from Prince Edward was at least on a par with that of the honourable gentleman from Montarville. I think it is only fair that our appreciation of the excellent report by the senator from Prince Edward should be placed on record, and that it should be made clear that honourable members who took part in the debate did not intentionally omit to express such appreciation.

PRIVATE BILL

FIRST READING

Bill 22, an Act respecting the construction and maintenance of a bridge over the river St. Lawrence at Caughnawaga.—Hon. Mr. Béique.

The Senate adjourned until Tuesday, May 26, at 8 p.m.

THE SENATE

Tuesday, May 26, 1931.

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

Prayers and routine proceedings.

LEGISLATIVE WORK OF THE SENATE

PROPOSED RESOLUTION

Hon. RODOLPHE LEMIEUX moved the following resolution:

Resolved, that in order to expedite the business of Parliament, Ministers of the Crown should be permitted to appear from time to time before this House for the purpose of explaining and giving information with respect to Government legislation.

He said: Honourable members, the motion which stands in my name is, it seems to me, very clear. In presenting this resolution I need not say that I have no intention of seeking an amendment of the constitution of our Senate or the House of Commons. I fully realize that in 1867, after the Quebec Conference, it was agreed that the British North America Act was of the nature of a compromise, and even of a treaty. This was declared by the Fathers of Confederation, Sir John A. Macdonald, Hon. George Brown, Sir A. T. Galt and Sir George E. Cartier. I will not weary honourable members by repeating the ipsissima verba of those statesmen. The statement that the British North America Act is of the nature of a treaty was admitted recently in the course of a debate in another place. That Act provided for two bodies to

advise the Crown, and no legislation is valid that does not carry the concurrence of His Excellency the Governor General—or, to use the term that has been employed by some honourable members, the Viceroy of Canada —and the Senate and the House of Commons. We have an elective body and a nominative body. The Senate was created for the very purpose of considering and, if necessary, revising proposed legislation before it is submitted for the assent of the Crown. Therefore, under our constitution, the Senate has a very important part to play, provided it does not become merely a dumb oracle.

I regret to say that at the present time there are many criticisms levelled against this Chamber. As to that, I shall have more to say in a few moments.

At the time of Confederation many people thought that the Senate should be an elective body. We all know what were the reasons and motives that impelled the Fathers of Confederation to decide that this body should be nominated by the Crown. For one thing, there were minorities to consider. It was necessary also to protect the interests of those provinces that were smaller than the provinces of Upper Canada and Lower Canada. One of the giants of those days, Hon. George Brown, was opposed body and soul, one might say, to the principle of a nominative chamber; and all those who were following in his political footsteps, as well as even some who belonged to the party led by Sir John A. Macdonald, were of the same opinion. However, Brown yielded; and I might add that he yielded gracefully. I remember having read the speech of our distinguished colleague, an ex-Minister of Justice (Hon. Sir Allen Aylesworth), in which he recalled the days of the Confederation campaign by George Brown in Upper Canada, when that statesman was explaining to his friends of the Reform Party why he had agreed to the establishment of a nominative chamber. He said: "I was wedded, as you were, to the principle of Confederation, and we fought the battle for representation by population." It might be said that the causa causans of Confederation was the principle of representation by population. There was also, of course, the higher motive of uniting into a strong Confederation the various British colonies, which extended from the Atlantic to the Pacific; but I think I am right in stating, with those who were witnesses of the battles of those days, that representation by population was the guiding principle that finally overcame all objections to Confederation, and that George Brown, opposed though he was to the principle of a nominative body, yielded in order to gain the principle for which he had fought all his life.

On the whole, as we are all aware, the system has worked well. There has been no deadlock to speak of between the nominative body and the elective body. But of late, as I said a moment ago, very bitter criticism has been levelled against the Senate. It is not criticism directed against the quality of the distinguished men who surround me this evening; not against their probity, nor against their intellectuality. Far from it. Speaking for the younger element in the Senate, I may say that we take pride in the leaders on both sides of the House—and when I say "leaders" I mean not only those who directly represent the Government in this House, but those who because of their success in business and in their professions have, so to speak, won their way to the seats which they grace to-day. I give no names; honourable members know to whom I refer. Criticism is levelled not because there is not as much intellectual power in this Chamber as there is in another, but because of the alleged inactivity of the Senate. We are not in the limelight. The public ignores the fact—and it is remarkable how widespread is the ignorance in this regard —that the Senate does not and cannot initiate money bills, nor can it even amend them. It must either accept or reject them, and it would always be timid about rejecting a money bill.

The powers of the United States Senate are quite different. It is true that the United States Senate does not initiate money bills, but it is not restrained from making appropriations from the public treasury. It can amend a revenue bill, and has often done so. If the Canadian Senate made appropriations and initiated revenue bills, or if, like the American Senate, it could confirm certain appointments and ratify or reject treaties, it would, in the eyes of the public, have far more influence than it has at present. Honourable members will recall how a few months ago, when a Minister Plenipotentiary of the United States was to be appointed to the American Legation in Ottawa, the Senate at Washington hesitated to ratify the appointment of the very distinguished gentleman who now represents the American nation in this country. At about the same time, or a little earlier, the American Senate refused to ratify the appointment of one or two judges to the Supreme Court. The Senate of the United States has a greater influence than the Senate of Canada because it possesses powers such as this Chamber does not possess.

I need not say that the generation preceding my own highly appreciated the composition of the American Senate. I remem-

ber how the late Sir Wilfrid Laurier, in conversation, spoke of the influence it wielded in the days of Daniel Webster and Henry Clay. In the United States the Senate is a powerful institution.

The Canadian Senate, however, deals with legislation sent to it by the House of Commons. In the few months that I have had the honour of being a member of this Chamber, and in the many years that I have been in Parliament, I have observed that the Senate has always scrutinized carefully and dealt fairly with the legislation presented to it. I have attended many of the meetings of committees of the Senate before which outsiders have appeared—the Railway Committee, the Committee on Banking and Commerce, and the Private Bills Committee—and I know it to be the opinion of outsiders that the committees deal fairly with the legislation that comes to this House from the Commons. I think that my venerable friend the honourable member for De Salaberry (Hon. Mr. Béique) has in mind the publishing of a book on the excellent work performed by the Senate during the years since Confederation. I know that the honourable gentleman has all the material for such a book. Let us hope that some day it will be published. I will say further that to my knowledge there has been no partisan spirit exhibited by the Senate in dealing with Government legislation, not to speak of certain other bills, the names of which still ring in our ears.

I remember that some years ago a Bill was introduced by the Laurier Government—the right honourable the junior member for Ottawa (Rt. Hon. Sir Geo. E. Foster) will also remember it—for the construction of a railway in the Yukon district. It was during the Klondyke gold fever. The Government supported a Bill which gave land subsidies to McKenzie and Mann in return for the construction of a railway from Atlin, if I remember correctly, to Dawson City. It was a bold project. At that time people thought that that district was paved with gold, and, as the only consideration was land subsidies, the House of Commons passed the Bill. Then it came to the Senate, and here it was defeated. This caused some excitement in the other Chamber, and some complaint and criticism. Looking backward to-day, a much older man—for this happened twenty-five years ago, if I am not mistaken—I think the Senate did well in rejecting that Bill. It did well also in rejecting other measures, and its action resulted in a saving to the country of enormous sums of money. But the public does not seem to remember these things.

I say there is no partisan spirit in this Chamber; and I go further: the standing and the character of the members of the Canadian Senate constitute a moral guarantee to the public. It is true that the Senate is blamed at times for rushing business at the end of a session. But what does the elective body do in the awful week immediately preceding prorogation? I have myself taken part in the race, and I say that in hastening at that stage of a session the Senate takes its cue from the House of Commons. The most important legislation is sometimes postponed until the very end. The Senate then has to rush it through, but, generally speaking, it gives to that legislation all necessary attention and care. The trouble lies in the fact that the bills are sent here during the last hours of the session.

Two reforms have been suggested for the purpose of overcoming the difficulty. First, it has been stated not only in the Senate, but elsewhere, that there should be a larger ministerial representation in this Chamber. At present we have here but one Minister of the Crown with a portfolio, the honourable the Minister of Labour (Hon. Mr. Robertson), a very distinguished Minister indeed. Although I do not wish to see him elsewhere, perhaps he will permit me to say that the place of the Minister of Labour is not here, but in the popular Chamber. We have also an honourable gentleman who directly represents the Government in this House. I refer to the leader (Hon. Mr. Willoughby), who sits to the left of the Minister of Labour, and who is a very brilliant and distinguished counsel. I think I express the sentiment of both sides of the House when I say that that honourable gentleman should be a full-fledged Minister of the Crown. Of course the honourable gentleman has great moral authority, but it has happened recently that with all his imagination and all his ability he could not answer some questions that were put to him, because he had not been informed of the views of the Government in regard to certain legislation. I repeat that the honourable gentleman should be vested with full ministerial powers; he should be a member of the Cabinet, so that—and I say it with due deference to him—he might be a more effective leader of this House.

It has been suggested by many that in order to overcome the difficulty created by the absence of ministers we should have under-secretaries in the Senate. It is an old British tradition that there should be as many under-secretaries as there are ministers. We remember that in the days of Lord Salisbury the Cabinet was composed of twenty-one

members, and that in the House of Lords there were ten under-secretaries besides two or three ministers, one of whom was Lord Salisbury himself, who was the head of the Government. Such a system would give under-secretaries a good training for public life.

We have a vast country and immense resources, both as yet undeveloped, and I am sure that when better times come an increase in the representation of the Government in both chambers will serve the best interests of the country. What information have we in this Chamber in regard to the public lands of Canada, the waterways of Canada, the railway system of Canada, and many other issues that I might mention? We are familiar with them to a degree, but if we had in this House representatives of the large departments, the Senate and the country at large would profit. Furthermore, this would relieve members of the Cabinet of much work. I shall quote no less a leader than Sir Mackenzie Bowell—whom no one would accuse of having a revolutionary frame of mind, for he was a Conservative of the old type and an upholder of tradition. In a debate that took place in the Senate in the session of 1907-08, on a motion by Sir George Ross, he said:

> I have long been in accord with sentiments uttered, particularly by the hon. gentleman who spoke last; that by adopting a system of under-secretaries, comptrollers, or whatever you may think proper to call them, giving them seats in each House, so that they could explain the details of their office, and at the same time giving them sufficient power to decide questions to which I have referred, which now have to be decided by the minister, and no appeal, except in very important cases, to the minister himself. Although the late Hon. David Mills, when Minister of Justice here, advocated an increase of the present number of cabinet ministers, I could see no reason for it. I suggested to him that if we adopted the system that has been suggested of under-secretaries of state, we might reduce the cabinet by four or five at least. . . .

In 1912, after the Government of the Right Hon. Sir Robert Borden had come into office, a report was made, if I mistake not, by Sir George Murray, on the organization and work of the various departments of our Government. Sir George Murray had a high reputation and was one of the outstanding members of the Civil Service in England. He said that it was impossible for members of the Crown to look after all the minute details appertaining to their office, and that they should be assisted by under-secretaries whose duty it would be to attend to certain departmental matters and represent their respective ministers in the Senate or the House of Commons. I have not before me the exact words used by Sir George Murray, but if I am not expressing in effect what he said, the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) will be able to correct me. At that time the Government of Sir Robert Borden almost came to the decision to appoint under-secretaries for our Parliament; but the matter was left in abeyance and no definite action along this line was taken, on account of the War.

I suppose that the financial conditions existing in the country to-day will not permit of the inauguration of such a system, but a decision in this matter will be proper when prosperity returns. If such a system were put into effect I think it would solve the problem caused by lack of ministerial representation in the Senate.

Meanwhile, what should be done? I humbly suggest that Ministers of the Crown should be allowed to appear before both Houses and explain Government legislation. I moved a similar resolution in the House of Commons in 1921, and I remember that, much to my surprise, such an eminent statesman and parliamentarian as the Right Hon. Arthur Meighen gave his moral support to my motion, though differing in some details, and it was supported also by other very influential members of that House. The reason why I moved that resolution then was that in my opinion there were too many important ministers in the Senate, whose explanations of proposed legislation were unavailable in the other Chamber. I have reference to His Honour the Speaker, who was at that time Postmaster General; the present Minister of Labour, who held the same office then (Hon. Mr. Robertson), and the late Sir James Lougheed, who was Minister of the Interior. Some very important bills were being sponsored by the Minister of Labour that year, and if honourable members will consult Hansard they will find that on many occasions the Right Hon. Mr. Meighen was obliged to delay the bringing of some of those bills before the House because he had not had time to go into the details. It seemed to me that if the Minister of Labour had been allowed to appear before the House of Commons much valuable time would have been saved. Matters relating to returned soldiers, pensions, public lands in the West, and other things of vital concern to Canada were being handled by Sir James Lougheed, who was also Minister of the Interior, and no one in the House of Commons could explain as well as he could the legislation that he was seeking to have passed. As I have said, His Honour the present Speaker of this House was then the

Postmaster General. All honourable members know how deeply interested the people of every constituency are in the administration of the Post Office Department. Rural mail delivery—which I claim credit for having established when I was Postmaster General—was, as it is now, the subject of much consideration, and I feel that the Minister should have had the privilege of appearing before the popular Chamber and explaining his legislation.

But the Senate no longer includes in its membership so many Cabinet Ministers as it did. The Government that preceded the present one was represented in this Chamber by only one Minister, who was without portfolio (Hon. Mr. Dandurand). He acquitted himself admirably of his Atlas-like task of carrying on his shoulders the whole representation of the Government in this Chamber. I do not think that our present system is fair to the Senate. I believe that a change such as I have suggested would be workable in Canada as it is in other countries. In France, for example, ministers pass from the Palais Bourbon to the Luxembourg, as I know from my own observations. And in Germany, at least before the war, ministers appeared in both Chambers. The United States, of course, has an entirely different system, for there the ministers, or secretaries, as they call them, are not elected by the people, and the work of Congress is carried on under the leadership of influential senators or congressmen. I believe that in this country both Houses would work more harmoniously and members of Parliament as a whole would have a clearer view of Government legislation if ministers could appear in the Senate—not at the bar—and explain their legislation. I do not suggest that they should vote, for that would entail a radical and drastic change in our constitution. My suggestion is simply that the Senate might politely ask any minister who had not a seat in this Chamber to appear here and explain legislation standing in his name.

It seems to me that if my suggestion were put into effect much time would be saved, and the Senate would not need to have long adjournments, which are regarded with suspicion by many people. I do not say that the Senate is responsible for those long adjournments; on the contrary, I might say that the responsibility lies with the other Chamber. We are here ready to work—to study and to scrutinize any piece of legislation, but the wheels are clogged and we are obliged to await the pleasure of that Chamber while it spends nearly a month in debating the Address in reply to the Speech from the Throne, and perhaps an equal period of time on the Budget. The country looks on and smiles, for it does not seem to understand why we are not always industriously engaged in the interest of the people. I resent the attitude of the public, especially of the press, which should know better, in regard to the alleged inactivity of the Senate. It is untrue to say that the Senate is inactive. The inactivity is in the other Chamber, and we are forced to mark time while waiting for legislation.

A number of measures that have been brought down in the other Chamber this session could have been initiated here. The debate on the Address lasted only two days in the Senate. If the Secretary of State, the Hon. Mr. Cahan, who is an extremely able minister, had appeared here then and introduced, for example, the Naturalization Act, or the amendments to the Companies Act and to the Copyright Act, is it not likely that we should have been able to finish this session in much less time than we now require? As it is now, these Bills will not reach us until they have been dealt with by the other Chamber, and our committees may have to call witnesses, as the committees of the other House have done. Judging by the great number of pamphlets, tracts and letters that I have received, the Copyright Bill is causing a great deal of contention.

Honourable members must realize that there is a link missing between this Chamber and the House of Commons. Why should we not forge a connecting link? I say it is an anomaly that the Senate should be kept waiting for weeks before Government bills are sent over. I know that there are objections to the principle involved in my motion. They were expressed when this matter was considered before. Some able members in both Houses have stated that an amendment to our constitution would be necessary before we could give effect to this motion. I have not gone very deeply into that objection. But let us suppose that such an amendment would be necessary. The measure in itself would not materially affect the minorities or the provinces; it would be enacted as a method of procedure to facilitate the work of the Senate. Therefore, if it were necessary to amend the British North America Act to bring about that reform, I see no great objection to it, although I am a fervent upholder of the Canadian constitution. But it seems to me that this reform would necessitate only an amendment to our rules; and in the rules, both of the House of Commons and of the Senate, there is provision for conferences between the

two Houses. Standing order 66 of the Senate provides:

In any case where a Bill, originating in the Senate and amended in the Commons, is returned to the House of Commons with any of the amendments made by the Commons disagreed to, or where a Bill originating in the Commons has been amended in the Senate, and has been returned to the Senate with any of the Senate amendments disagreed to, and the Senate decides to insist on such amendments, or any of them, and returns the Bill to the Commons, the message accompanying such Bill shall also contain reasons for the Senate not agreeing to the amendments proposed by the House of Commons, or for the Senate insisting on its own amendments, as the case may be; and such reasons shall be drawn up by a committee of three senators, to be appointed for the purpose when the Senate decides to disagree to, or insist on, as the case may be, the amendments in question.

A similar standing order is to be found in the rules of the House of Commons:

25. (1) In cases in which the Senate disagree to any amendments made by the House of Commons, or to which the House of Commons has disagreed, the House of Commons is willing to receive the reasons of the Senate for their disagreeing or insisting (as the case may be) by message, without a conference, unless at any time the Senate should desire to communicate the same at a conference.

(2) Any conference between the two Houses may be a free conference.

(3) When the House requests a conference with the Senate, the reasons to be given by this House at the same shall be prepared and agreed to by the House before a message be sent therewith.

As honourable members will see, a meeting between the Senate and the House of Commons is provided for, not in the constitution, but in the standing orders of the Senate and of the House of Commons. I do not know of any reason why we should raise difficulties when where are none. I do not wish to detain the House on that point any longer. I simply submit that the question should be studied carefully.

Some will say that what is proposed is an innovation. Well, the Canadian Senate and the House of Commons of Canada represent a young, active and energetic nation, and should not be afraid of an innovation that would serve the best purposes of Canadian legislation, facilitate the passing of that legislation, curtail long sittings of Parliament, and, it seems to me, restore to this Chamber the great credit and influence which it possessed in former years. I do not say that the Senate does not exercise a great moral influence in the country to-day. As a young man, before I was elected to the House of Commons in 1896, I came to Ottawa. I received part of my education at Ottawa University, and every Thursday I would visit the House of Commons and the Senate, and when I came into the Senate Chamber, one of the finest legislative halls that I have ever seen, it was with awe and reverence. I remember seeing Sir Alexander Campbell, Sir Oliver Mowat, Hon. David Mills, Sir Richard Cartwright, Sir Richard Scott, and all the other giants of former days, and I assure you, honourable gentlemen, that the country was inspired with a great respect for the Senate. But times have changed. Since the War we have been passing through an ordeal and there is another spirit in the air. To-day people do not adhere so closely to tradition as they did before the War. Some talk of the abolition of the Senate. I do not know whether they realize what would happen if the Senate were abolished. Others suggest that it should be partially elective and partially nominative. As regards an elective Senate, let me tell you what my father used to say to me. He was a very keen politician. He would speak to me of the elections under the Union, and of the elections of the legislative councillors—for they were elected—and the gross corruption. In those days the districts comprised, as they do in some cases to-day, several counties. At that time there were not the same facilities for travel that there are to-day, but the elections of the councillors were marked by a corruption which I need not describe. So, after all, Sir John A. Macdonald and George Brown and the others were not so wrong when they accepted the principle of a nominative body.

What I propose this evening is an innovation, but we are not afraid of innovations. Who would have thought some years ago of our passing legislation to give the Leader of the Opposition a salary equal to that of a Minister of the Crown? What a revolutionary thing it was! But it passed, and now that the excitement is over, some other countries, if I am not mistaken, have adopted the same principle and have made the Canadian enactment the basis of similar legislation. Nobody criticizes it now; everybody admits that under the British system there must be a leader of the Opposition, that the office engages all his attention, and that he must be independent. And what better way is there of assuring his independence than giving him a salary equal to that of a Minister of the Crown?

I submit the resolution to the judgment of the Senate. I am not so sure that there will be a majority in favour of it, and I do not intend to press it to a vote; but I should like to hear from members on both

sides a frank and open expression of their views on the subject.

Hon. F. L. BEIQUE: Honourable members, the honourable member from Rougemont (Hon. Mr. Lemieux) has, if I am not mistaken, given expression to the general opinion that the Senate cannot deal with financial questions. This subject was taken up by this House in 1918 and was dealt with by a committee of which the late Senator W. B. Ross was chairman, and of which I happened to be a member. The report of that committee, supported by leading authorities, is short, and I will read it for the information of the Senate. It is dated May 9, 1918, and is as follows:

The Special Committee appointed to consider the question of determining what are the rights of the Senate in matters of financial legislation, and whether under the provisions of The British North America Act, 1867, it is permissible, and to what extent, or forbidden, for the Senate to amend a Bill embodying financial clauses (Money Bill), have the honour to make their Second Report, as follows:—

Your Committee beg to report that in the latter part of the last Session of Parliament a similar Committee was appointed, but owing to the late date of appointment opportunity was not afforded the Committee for a full consideration of the Order of Reference. During the recess the Honourable W. B. Ross, a member of this Committee, prepared a memorandum dealing with the question, copy hereto attached, which memorandum has been carefully considered and adopted by this Committee. The following summing-up thereof is submitted as the conclusions of your Committee on the rights of the Senate in matters of financial legislation:—

1. That the Senate of Canada has and always had since it was created, the power to amend Bills originating in the Commons appropriating any part of the revenue or imposing a tax by reducing the amounts therein, but has not the right to increase the same without the consent of the Crown.

2. That this power was given as an essential part of the Confederation contract.

3. That the practice of the Imperial Houses of Parliament in respect of Money Bills is no part of the Constitution of the Dominion of Canada.

4. That the Senate in the past has repeatedly amended so-called Money Bills, in some cases without protest from the Commons, while in other cases the Bills were allowed to pass, the Commons protesting or claiming that the Senate could not amend a Money Bill.

5. That Rule 78 of the House of Commons of Canada claiming for that body powers and privileges in connection with Money Bills identical with those of the Imperial House of Commons is unwarranted under the provisions of The British North America Act, 1867.

6. That the Senate as shown by The British North America Act as well as by the discussion in the Canadian Legislature on the Quebec Resolutions in addition to its general powers and duties is specially empowered to safeguard the rights of the provincial organizations.

7. That besides general legislation, there are questions such as provincial subsidies, public lands in the western provinces and the rights of the provinces in connection with pending railway legislation and the adjustment of the rights of the provinces thereunder likely to arise at any time, and it is important that the powers of the Senate relating thereto be thoroughly understood.

Your Committee are indebted to Messieurs Eugene Lafleur, K.C., Aimé Geoffrion, K.C., and John S. Ewart, K.C., prominent constitutional authorities, of Montreal and Ottawa, who have been good enough to forward their views on the question under consideration by your Committee. These opinions are appended hereto and form part of the Committee's Report.

All which is respectfully submitted.

W. B. Ross,
Chairman.

The opinion of Mr. Lafleur and Mr. Geoffrion is as follows:

Montreal, April 30, 1918.

The Honourable W. B. Ross,
The Senate, Ottawa, Ont.

Dear Sir,—We have been asked if in our opinion the Senate has the power to amend Money Bills.

Sections 17 and 91 of the British North America Act place the Senate on exactly the same footing as the House of Commons as respects all legislation.

The only material derogation to this general rule is contained in section 53, which provides that Bills for appropriating any part of the public revenue or for imposing any tax or impost shall originate in the House of Commons.

The denial of the right to originate Money Bills does not involve the denial of the right to amend them. Nothing therefore in the text of the British North America Act takes away the latter right from the Senate.

The first paragraph of the preamble where it is stated that the provinces desire to be united federally with a constitution similar in principle to that of the United Kingdom is relied on.

These words being in the preamble have much less importance than if they were in the text. Further it is obvious that similarity in principle does not mean identity in detail; the Canadian constitution differs from the British constitution in many and important respects; the similarity in principle referred to in the preamble is intended to exist only to the extent stated in the text.

The third paragraph of the preamble states that it is expedient not only that the constitution of the Legislative authority in the Dominion be provided for but also that the nature of the Executive Government therein be declared, and the text of the Act contains many sections which merely restate rules of the British constitution such as section 53 already referred to.

If the above-mentioned words of the preamble meant that the British constitution applies to Canada except in so far as the text of the Act expressly derogates therefrom the third paragraph of the preamble and all those sections, particularly section 53, would be useless or meaningless.

The consideration of how the rule limiting the powers of the House of Lords in the United Kingdom came to be adopted affords an additional argument in support of the view suggested by the text of the British North America Act.

In the early days there was a conflict between the British House of Commons and the House of Lords on this question of the powers of the House of Lords in respect of Money Bills.

In 1678 the Commons resolved:

"That all aids and supplies and aids to His Majesty in Parliament are the sole gift of the Commons and that all Bills for the granting of any such aids and supplies ought to begin with the Commons and that it is the undoubted and sole right of the Commons to direct, limit and appoint in such Bills the ends, purposes, considerations, conditions, limitations and qualifications of such grants, which ought not to be changed or altered by the House of Lords."

In 1693 the Lords resolved:

"That the making of amendments and abatements of rates of Bills of Supply sent up from the House of Commons is a fundamental, inherent and undoubted right of the House of Peers from which their Lordships can never depart."

It is true that the Lords did not act in accordance with this resolution and tacitly submitted to the claim of the Commons, obviously to avoid a conflict with the latter House, but this practice was not the law, and this appears from the preamble of the House of Commons resolution of 1910 which announced the proposed legislation curtailing the powers of the Lords. (May's Parliamentary Practice, 12th edition, p. 518.)

It is remarkable that of the two restrictions on the rights of the Lords which the Commons by its resolution of 1678 tried to impose, namely: the denial of the right to originate and the denial of the right to amend Money Bills, the British North America Act while mentioning the first in section 53 should not mention the second against which the Lords had specially protested.

If it had been the intention of the British Parliament to impose the two restrictions on the Senate it surely would have mentioned them both or if content to rely on the preamble as incorporating the whole British constitution, it would have mentioned neither.

To those reasons might be added this further consideration that there is very little analogy between the Lords and the Senate. The Lords represent themselves, the Senate represents the Provinces. The Lords are not in an independent position as the House of Commons can use its influence over the Crown and induce it to add as many members as are needed to the House of Lords to obtain a favourable majority.

It is probably for that reason that section 18 of the British North America Act when dealing with the privileges, immunities and powers of the Senate refers as the maximum for such privileges, immunities and powers to those held, enjoyed and exercised by the Imperial House of Commons (and not by the House of Lords) at the passing of the Act.

Under the circumstances, we are of the opinion that the Senate of Canada may amend a Money Bill originating in the House of Commons as fully as the House of Commons can do. Of course the powers of the Senate are limited to the same extent as those of the House of Commons by the fact that Money Bills must be recommended by a message of the Governor General.

Yours truly,

E. Lafleur.
Aimé Geoffrion.

That opinion was supported by Mr. John S. Ewart. On the 27th of April, 1918, he wrote to the late Senator Ross a letter which, with the leave of the Senate, I shall place on Hansard.

Dear Sir,—In reply to yours of the 23rd instant, I beg to say that I have read with much interest the "Memorandum re rights of the Senate in matters of financial legislation," and I find in it a great deal that, were the matter now being discussed for the first time, might well be urged in support of what is evidently the writer's view.

In considering all subjects of the class to which the present belongs regard has always—and very rightly—been paid to history and precedents; and the relations between our Senate and House of Commons are, as I think, so firmly established that no change could be introduced save by constitutional amendment. I do not mean, necessarily, by amendment of the British North America Act—amendment of constitutional practice, agreed upon by both Houses, would suffice.

From the very earliest time, the Colonial Assemblies have successfully contended for the same privilege with reference to financial bills as that enjoyed by the British House of Commons. The cases in which contention arose are very numerous, but I do not know of any in which the quarrel between the two Houses has resulted in substantial victory for the Council —as, in the earlier constitutions, the second chamber was styled.

A glance at histories furnishes me with two instances which may be taken as containing typical assertion of the privilege of the Assemblies. The first of these is noted in Dickerson's American Colonial Government, 1696-1765: The author says (p. 160) that, in the time of Governor Cornbury, of New York:—

"The Council sought to amend the revenue bill so as to remove this objection, but it was met by the point blank assertion that the assembly would permit no amendment of Money Bills."

The second instance I take from Dr. Kingsford's book, the History of Canada, volume 9, p. 217. On that occasion (1818) the Council and Assembly were brought into sharp conflict, with the result, as the author says, that:—

"The Council did not conceive an amendment to the money bill as a breach of privilege; but as it was so asserted, the Council would hereafter forbear from all amendment and simply reject any bill submitted to it, should occasion suggest.

There can be no doubt that the differences between the British House of Lords and the Canadian Senate referred to in the Memorandum are of substantial character, but, after all, the two Houses, with reference to the subject-matter under consideration occupy the same position. For the members of neither House are elected by the people, and the privilege of the Assembly with regard to money bills has always been based upon the fact that the House was composed of popularly elected members.

In the United States, it is because both the Senate and the House of Representatives have always been composed of men elected by the people—either by direct vote or, indirectly, by the State Legislature—that the two Houses have concurrent authority.

I am, Sir,

Yours truly,

John S. Ewart.

For the reasons that are stated by these eminent lawyers, I think there can be no question that the powers of this House are equal to those of the House of Commons. The House of Commons, of course, cannot deal with a proposed vote of money unless it is approved in a message from the Governor General; and the Senate, likewise, can deal with money bills only when they come from the other House, supported by a message that His Excellency has signified approval. But the moment that a Bill is before the Senate, our powers are equal to those of the House of Commons.

I think I am right in saying that barristers and others who have appeared before committees of both Houses appreciate the way in which legislation is handled in the Senate. I say that because of the opinions I have heard expressed by leading counsel of Montreal, Toronto and other places.

Hon. Mr. BELCOURT: Will my honourable friend say what action the Senate took on that report which he was reading?

Hon. Mr. BEIQUE: It was approved.

Hon. Mr. BELCOURT: That should be stated.

Hon. Mr. DANDURAND: Unanimously.

Hon. Mr. BEIQUE: It was approved unanimously.

Hon. Mr. LEMIEUX: May I ask the honourable gentleman whether the Senate ever took action in accordance with the views expressed by Mr. Lafleur and Mr. Geoffrion?

Hon. Mr. BEIQUE: Oh, yes. Since the report was made the question has arisen, and the Senate has acted very freely with money bills coming from the House of Commons.

Hon. Mr. CASGRAIN: Does the honourable gentleman mean that this House can increase the amount of a bill which is a tax, and thereby increase the taxes?

Some Hon. SENATORS: No, no.

Hon. Mr. DANDURAND: No; no one says that.

Hon. Mr. CASGRAIN: I am asking the honourable member from De Salaberry (Hon. Mr. Béique).

Hon. Mr. BEIQUE: Our powers are stated in the report which I have read. The bill must come to us, as I have said, with the approval of the Governor General, and the amount cannot be increased.

Hon. Mr. CASGRAIN: Cannot be increased.

Hon. Mr. BEIQUE: No.

Hon. R. DANDURAND: Honourable members, the question raised by the honourable gentleman from Rougemont (Hon. Mr. Lemieux) is one with which we in this Chamber are quite familiar. It has been raised—I will not say at every session, but at nearly every session since 1867. The recurring complaint has been that this Chamber has not sufficient work to keep it sitting from day to day, as the other House has. Now, my honourable friend from Rougemont has clearly explained the reason why the Senate finds adjournments necessary. Bills may be divided into two classes, public and private. In this Chamber we have initiated considerable public and private legislation. We have had a monopoly in the introduction of divorce bills. Most of the public bills that come to us from the other Chamber, and all that deal with the administration of the various departments of the Government, are sponsored by Ministers of the Crown. The Senate initiates some of these bills, it is true, but the fact remains that the important public legislation, which is mentioned in the Speech from the Throne, is introduced by the Ministers of the Crown. Now, the Senate has seldom had at one time more than two ministers among its members, although there was a period when it had three. We have had here a Secretary of State, a Minister of Justice, a Minister of Labour—

Hon. Mr. WILLOUGHBY: And a Minister of the Interior.

Hon. Mr. DANDURAND: But I can safely say that generally we have had not more than two ministers and perhaps most of the time only one. For a number of years the late Sir James Lougheed represented the Government in this Chamber as a minister without portfolio, and it was only at a later stage that he was asked to administer a department. Generally a minister wants to sponsor the legislation which he has drafted or inspired, or which at any rate emanates from his department, and he introduces it in the Chamber where he sits. Various kinds of reform in our methods of dealing with legislation have been suggested in the somewhat lengthy period that I have been a member of the Senate, and I have come to the conclusion that the only cure for the present

unbalanced state of affairs between the two Houses is to be found in a change of procedure which would permit Cabinet Ministers who have seats in the other House to appear here to explain their legislation, but, of course, not to vote.

On a former occasion I made another suggestion, with regard to private bills. As honourable members know, a private bill is introduced on petition, in the House to which the petitioner applies and forwards the required fee. My suggestion was that these petitions should be received in one office and numbered, and that the odd numbers should be sent to one Chamber and the even numbers to the other.

Hon. Mr. BELCOURT: Alternately.

Hon. Mr. DANDURAND: Alternately. In that way the introduction of private legislation would be equally divided between the Houses. I did not go so far as to make a motion to test the view of the Senate in regard to that suggestion. But in 1922 I did take some action along the lines suggested by my honourable friend from Rougemont (Hon. Mr. Lemieux). The end of the session was near and I received from the other Chamber some bills which were very involved. I remember that I gave the whole of a Saturday and a Sunday to an endeavour to understand one piece of legislation, which, if I am not mistaken, had something to do with the sales tax. On Saturday I had given notice in the Senate that I intended to move on Monday that our Rules be amended, and I went so far as to have honourable members summoned specially to consider the matter. The notice which I gave at that time was that I would move:

To make the following a rule of the Senate as rule 18A, and that the Senators in attendance on the Session be summoned to consider the same, namely:

18A. When a Bill or other matter relating to any subjects administered by a department of the Government of Canada is being considered by the Senate or in Committee of the Whole, the Minister administering the department may with the assent of the Senate on the initiative of the Minister representing the Government enter the Senate Chamber and, subject to the Rules, Orders, Forms of Proceeding and Usages of the Senate, may, for the furtherance of legislation relating to the Bill or matter in question, take part in the debate.

This appeared on the Order Paper to be dealt with on Monday morning, for at that time we were having morning as well as afternoon sittings. On Sunday afternoon I told Mr. Fielding that I could not understand one of his bills, and at the same time I informed him of the notice of motion which I had on the Order Paper and asked him if he would be present at the afternoon sitting of the Senate on Monday to explain that particular bill. I pointed out that in this way he would be pioneering in parliamentary reform—that he would be the first commoner to appear in this Chamber and discuss a bill under the new rules. But to my great surprise he was entirely opposed to following my suggestion. I pressed him for an explanation, and he replied: "I will not face the Senate on that bill, because, I confess, I too have had very great difficulty in understanding it. It comes, not from my department, but from the Customs. The experts of that department claim that it is perfectly workable, and they will take the responsibility." Well, I found that Mr. Fielding was not the only one of my colleagues who was diffident about appearing in this Chamber. I remember that I jokingly remarked to one of them: "Of course, it is easy for you to get your legislation through the House of Commons, with your majority behind you; but in the Senate we cannot get a bill through unless we have justice and reason on our side."

I did not proceed with my motion at that time, because I found that although the Senate was unanimously in favour of it, the ministers would not come to this Chamber. If my honourable friend from Rougemont (Hon. Mr. Lemieux) wishes to test whether his own proposal is practicable, I suggest to him that he ask the Hon. the Minister of Labour (Hon. Mr. Robertson) to inquire from his colleagues in the Cabinet if they are willing to come to the Senate and explain their bills, because if they will not come we had better leave our rules as they are.

Hon. Mr. DANIEL: Hear, hear.

Hon. Mr. DANDURAND: In my opinion the whole question involves simply a matter of procedure with us. We need only amend our Rules in order to have the Ministers appear here, if they are willing to come. They do attend now before our committees. Their deputies, who are technical experts, come and sit beside us here. Has the Senate felt desecrated because these Deputy Ministers have walked into our sacred precincts and have helped a Minister put through his legislation by assisting him to give proper explanations of it? I was reminded a moment ago that towards the end of the session of 1918 or 1920—I was not given the date—we agreed, when pressing for explanations from the Minister of Justice, who was sitting behind the Bar, that he should come in and modestly sit by the side of Sir James Lougheed and coach him, just as the Deputy Minister would

have done. It seems to me that the adoption of the proposal before us would involve a very similar action on our part.

But it takes two parties to make a bargain. The Senate may amend its rules—and I believe that is all we should have to do—but it is for my honourable friend, after consultation, to tell us whether it should be done. If it were done, the Ministers could come here during the long discussions in the other Chamber on the Address, on the Budget, and on Supply, and the major part of the Government legislation which is now introduced in the other Chamber could be introduced here by the Ministers; and I venture to emphasize what has been said by the honourable gentleman from Rougemont (Hon. Mr. Lemieux) and my honourable and venerable friend from De Salaberry (Hon. Mr. Béique), that much of that legislation would receive more careful attention in our committees than it very often does from the committees of the other House. The committees of the other Chamber are large, consisting of one hundred or more members, and frequently I have been told that the members flock to the committee meetings in large numbers, but that when some sharply contested point has been decided they leave the examination of the Bill to the few. The Senate committees have fewer members, and they sit around the table and seriously test the value of every clause of every Bill that comes before them. So, if there is the least desire on the part of the Commons to share with us the work of initiating legislation, I think the difficulty can be solved by allowing Ministers from the other Chamber to come into this Chamber.

My honourable friend from Rougemont (Hon. Mr. Lemieux) spoke of under-secretaries. I think perhaps his idea in that regard is not a bad one. But I suggest that perhaps the time is at hand when this Government or another may feel the necessity of overhauling the whole machinery of administration and examining into the question whether or not fifteen, sixteen or seventeen Ministers are not too many to administer the affairs of this country, and whether it would not be advisable to join together two or three departments, and to supplement the Cabinet representation by appointing a certain number of under-secretaries.

Hon. W. B. WILLOUGHBY: .Honourable members, I wish to engage your attention for only a very few moments in connection with the proposal of our new and distinguished colleague from Rougemont (Hon. Mr. Lemieux). Those who were in the House at the time will remember very well the discussions that took place in regard to the opinions of Mr. Geoffrion, Mr. Lafleur, and Mr. Ewart, which have been read by the honourable gentleman from De Salaberry (Hon. Mr. Béique). I have no doubt at all that all the members of the Senate who took any interest in the subject were thoroughly convinced of the constitutional soundness of the opinions given. Recent writers have pointed out that one of the distinguishing characteristics of this body is that it cannot be flooded or swamped by the action of the lower House in having as many senators as it saw fit appointed in order to make the Senate amenable to its control. We are an absolutely independent body, and our numbers can be increased only in accordance with the constitution, which governs the other Chamber as well as our own. There is only one provision in the constitution for an increase in our number, and I do not think it has ever been invoked. Under certain conditions six additional members can be appointed. If I remember correctly, that provision was inserted at the behest of Hon. Mr. Mackenzie at the time of Confederation, as the opinion then prevailing was that the majority of members would be Conservatives, and that it might become necessary for the party he represented to have some protection should he come into power.

I am not going to follow the example of the honourable gentleman facing me (Hon. Mr. Dandurand). Certainly it was worth while for the newer members of this House that steps should be taken to get what vulgarly may be called a "showdown." I regret that my honourable friend was not successful. What he has told us only shows the reluctance of either party in the other House to meet us in the matter of greater representation in this House of members of the Cabinet. I think no action could have been more proper than that taken by my honourable friend, and I think it was well timed. I am only sorry that it did not result in something more than it produced.

Our distinguished new member (Hon. Mr. Lemieux) deserves the thanks of this body, I think, for bringing up this subject, which he has discussed so admirably and in which many of us are interested. I always have been interested in the steps that led up to Confederation and in the Confederation Debates. It is quite true that at that time there was some question as to how the Senate, as it was ultimately designated, should be constituted. Finally it was decided to constitute it through the power of appointment. There are, throughout the world, second chambers that can be swamped, because they

do not stand on constitutional ground, as ours does.

If I remember correctly, the honourable gentleman (Hon. Mr. Lemieux) brought before the other House some years ago a motion in this connection. If my memory serves me aright—I may be wrong—he contemplated Ministers in this House addressing the other House, and vice versa. I would not be so favourable to that as I would be to the proposal that he has put forward to-night, namely that members of the Cabinet from the other House should be given the right to address this body. There are some reasons which to my mind make it inexpedient, constitutionally, for any of us in this Chamber to address the other House and urge it to action. One reason is that we cannot initiate money Bills and that it would be anomalous for a Minister from this House to go over to speak to the other House in favour of a Bill for raising moneys.

I think it would be of advantage to the other House, in the way of lightening its labours, and certainly it would be of great advantage to this House, to have the Minister in charge of a Bill come here personally and explain it to this House and be questioned in regard to it. No person can substitute for the Minister to the satisfaction of this House. If we cannot get the Minister we shall have to do the best we can under the conditions that have prevailed in the past, which were very good in the days of my honourable friend (Hon. Mr. Dandurand), and of my distinguished predecessor, Sir James Lougheed, who was a Minister, part of the time without portfolio; but this House cannot, to use the vernacular, "get down to brass tacks" unless the Minister who proposes certain legislation comes here to explain it and to respond to inquiries. No subordinate can do that as well as he can.

I agree to the proposition of my honourable friend opposite that no change in the constitution would be required; that all that is needed to enable a Minister in the other House to appear in this House would be a simple change of the rules. Such procedure, if followed, would speed up legislation very much, would be to the advantage of the legislation passing through the House, and would be to the advantage of the Minister himself. He would receive every courtesy. When he comes to this House to propound a Bill we are not going to badger him; in fact, perhaps he would not be subjected to badgering as much as he is in the other House, where the younger generation still enjoys bull-baiting. I heartily support the resolution of the honourable gentleman (Hon. Mr. Lemieux) and trust that it will find acceptance in this Chamber.

My honourable friend to my right (Hon. Mr. Robertson) is a Cabinet Minister. I do not know what his views may be. In my remarks this evening I am simply voicing my individual views. Whether they are in accord with those of the Cabinet, I do not know; nevertheless, they are my views, and I have taken the liberty of placing them before you.

Right Hon. GEORGE P. GRAHAM: Honourable members, at the risk of causing a little discord I may say that I am not convinced that what has been proposed would be a good thing. I admit that there is a somewhat peculiar situation when one man in this House has to father the legislation of seventeen men in the other House. The leader of the Government in the Senate has to look after the Bills of his colleagues in the Cabinet—a situation that might be remedied, without the constitution being injured, if the Government in power would name at least three Ministers without portfolio to represent it in this House, and to take charge of Government legislation here. One man cannot do the work satisfactorily either to himself or to this Chamber. Of course Deputy Ministers come here and give details, just as they would have to do if the Minister himself were here, because a Minister cannot be expected to give all details.

Let me point out something else. The Ministers of the Canadian Government do more detail work than do the Ministers of any other Government in the world, so far as I can ascertain; and I may say that I, as Minister of Railways, was one of the colleagues who told my honourable friend to my right (Hon. Mr. Dandurand) that they would not come over to the Senate. I was one of the sinners. My reason was that already I was devoting sixteen hours a day to the business of the country. Every Bill is pretty thoroughly explained in Hansard, and every member of the Senate can read the explanation. Already Cabinet Ministers in this country are over-worked. We hear of other countries having fewer Cabinet Ministers than we have, to serve more people. My honourable friend suggested that. I spent some years in going through the mill, carrying the load of more than one Cabinet position, and I may say that there is no comparison between the work of the Cabinet Ministers of the United States and the Cabinet Ministers of Canada. There are a greater number of people in the country to the south, of course, but when honourable members consider the

fact that a Cabinet Minister in the United States is selected by the President, and therefore does not have to be elected, and that he is not a member of Congress, and is not bothered and pestered by having to explain estimates and bills in either house, they will understand the difference. These things which constitute 70 per cent of the worrying part of the duties of a Minister in this country do not at all concern the Ministers of the United States.

The chief reason why I would not favour the proposition without more argument is that the Cabinet Ministers have now too much work to do, to be asked to come over here and discuss their bills. Of course they would have to be subject to questioning, for without that their presence would be of no use, and probably they would require to bring their deputies, who would know all the details. If we had the right to ask one Minister over, we should have the right to ask another. Can we imagine the Finance Minister of Canada coming over here to discuss the details of his budget with the Senate? Can we imagine the Prime Minister of Canada being asked by the Senate to come and discuss the Speech from the Throne, or his policies on any question? The ideal is a fine one, but to my mind it is impracticable, and it will so remain until we get some machinery by which the Cabinet Ministers of Canada will have their work reduced.

I do think that some way might be found to lessen the difficulties that exist in the transaction of business between the two Chambers. If any Government does not wish to have Ministers with portfolios in the Senate, I think it might be represented here by at least three or four Ministers without portfolio, to whom it could confide its business.

Hon. J. S. McLENNAN: I should like to call the attention of honourable members who have been appointed to this honourable body in the last few years to the fact that in 1919 we had a committee on the machinery of Government. I am happy to see sitting opposite two members of that committee; and two others were the late Senators G. G. Foster and W. B. Ross. The committee went very thoroughly into questions of administration, some of which have been touched on by the right honourable senator from Eganville (Rt. Hon. Mr. Graham), and one of them in particular by the honourable senator from Rougemont (Hon. Mr. Lemieux). The report of that committee was unanimously accepted by the House, but no action was taken thereon, although portions of it have been partly embodied in practice in the meantime. I think it might be worth while for members who are interested in this particular phase of our work, and conscious, as everybody must be, of the unsatisfactory way in which much of it is done, to look up that old report. Possibly a new committee might be formed, and new recommendations made, though I am sure many of those contained in the report would meet the approval of the House to-day.

That report strongly recommended the appointment of under-secretaries, as suggested by Sir George Murray, and pointed out that, as the right honourable gentleman from Eganville (Rt. Hon. Mr. Graham) has said, the amount of work which a Cabinet Minister has to do is almost intolerable.

Hon. C. E. TANNER: Honourable members, I have a few words I want to say on this subject. I have no difficulty in agreeing with the other members of the Senate that if a Cabinet Minister desired to come down to this Chamber and explain a Bill we should all be very glad to hear him; but I think the right honourable member for Eganville (Rt. Hon. Mr. Graham) has pointed out the impracticability of that plan from the standpoint of the Cabinet Minister.

This Chamber has been under a threat of reform for a great many years. I believe it has been told on many occasions that it was about to be reformed. But as I see the present proposition it suggests the reforming of the House of Commons rather than the Senate. In order to carry out the plan proposed in the resolution it would be necessary to have both the House of Commons and the Cabinet agree to reform; that is to say, to carry on their business in a more expeditious manner than they have heretofore adopted or are now employing.

I am not favourably impressed with what seems to be an underlying, though perhaps unexpressed, idea—that the Senate does not do or has not done its work well. The honourable mover of the resolution has paid a very high compliment to the members of the Senate as to their qualifications for the discharge of public business, and I do not know that any honourable member of the Senate will dissent from that eulogium. I think that without any boasting it may be said that in respect to the intelligent and effective discharge of the business of this country as it comes within the control and direction of this Chamber, the Senate of Canada since 1867 has had a record of which it may well be proud. Of course, being human, it may have made mistakes, but on a whole it has done good work, and the country has been saved millions

and millions of dollars by the intelligence and the activities of the Senate. Therefore I do not like to hear it suggested that in order that this Senate may do its work better it is or may be necessary to bring in Cabinet Ministers to address it. If a Cabinet Minister should come, very well; but if he never came into the Senate this body could still do its work well, as it has always done.

I want to allude to another point, which has not been mentioned. It is this, that honourable members of this Chamber should not be carried off their feet by public criticisms such as referred to by the honourable mover of the resolution. We all hear these criticisms on the street and everywhere; sometimes, perhaps, we invite them; but in my judgment honourable senators should not be worried by them, for we know that this Chamber is doing the work that it was intended to do, and is doing it fairly well. There are fundamental differences between this Chamber and the other, which the public do not think about, and which sometimes we ourselves do not consider. The other branch of Parliament is an elected body, and we know very well that in the House of Commons—I am not speaking of one House of Commons more than another—there is in the carrying on of its business, a constant, day-by-day duel in progress between two political parties. They are fighting each other for power. They carry on lengthy debates; they attack one another; they try to replace one another. That is the political aspect. I have no criticism of that. It is their business—their political business. This Chamber meets for other business. As my honourable friend who moved the resolution has said, there is little partisanship in this Chamber. I have made the remark to friends of mine who have not been in this House—and I think the statement is correct—that it is a rare time when there is a division in this House on party lines.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. TANNER: I have been sitting in this House since 1917, and I see the condition gradually becoming mellow and more mellow every year. I see honourable members on either side of this House, in the discharge of their duties, actuated principally by the idea that the country should be well governed and sound legislation passed. But the public who have never been here and have never seen this House at work do not know that. They think we are fighting and cutting one another like the members of the House of Commons; which is a very great mistake. Instead of that, we are going along arm in arm, doing our work harmoniously and effectively.

By way of illustration take this session. The House of Commons and this House met on the 12th of March. It was the 21st of April before the members of the House of Commons got down to real business. They were in the intervening time debating the Address, which we disposed of in a couple of days. We are here not to carry on lengthy debates, but to do business; therefore the public have no right to expect us to be sitting every day. We do not need to sit every day. We sit when there is work to do, and do that work expeditiously, taking our time, so that the work may be done well. The members of the other House have sat only 44 days altogether: 16 of those days were devoted to the debate on the Address, three days to another debate, two days to another, and two days to another. I have no fault to find. That is their work, and they are doing it. Ever since there has been a House of Commons that has been going on, and while there is a House of Commons it will continue. But it is not necessary for us to do the same thing. We have not done it, and we do not intend to do it. While the other House was sitting 44 days we sat 20 days, and in that time we have disposed of more than all the business that they have dealt with in 44 days. I say that is a complete answer to the critics of this Senate.

I make no apology. We do not need to make any apology. We are not a House of Commons; we are a Senate, a revising body. It is our business to examine the proposed legislation, and if we are not satisfied with the result of our work we have time and opportunity to study the debates of the other House; so we can obtain full knowledge of the Bills without the assistance of a Cabinet Minister. Sometimes Cabinet Ministers would be only in the way. A Cabinet Minister may not be able to make as good explanations as the men we have here. So far as I know, we have got along very well indeed. I agree with my honourable friend opposite that we are getting along excellently with the Minister of Labour and his colleague on his left (Hon. Mr. Willoughby), who I hope will be elevated to a seat in the Cabinet without portfolio.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. TANNER: The principal point I would impress upon the public, as well as upon honourable members of the Senate, is that we have no reason whatever to be looking around for excuses, or to palliate or mollify the criticisms that are made outside of this Chamber. On the contrary, knowing that our work is well done, that we are spending all the time that is necessary upon that work, and that we have great reason to be very

proud of the record of this Senate, we need pay no attention to those criticisms.

Hon. G. D. ROBERTSON: Honourable members, even though it is a little late, I wish to trespass upon your good nature for a few moments, and join in the discussion of the very interesting subject which the honourable member from Rougemont (Hon. Mr. Lemieux) has introduced.

Like my right honourable friend opposite (Rt. Hon. Mr. Graham), I disagree with most of what has been said. With some things that have been said I am in quite hearty accord. It is quite possible that some members of this House, or all of us collectively, may pin too many bouquets upon our own manly breasts; and perhaps the bouquets have been rather widely distributed this evening. Should not a man in public life endeavour to render service to his fellow men rather than pride himself on being, say, in the Upper House? Or shall those serving in a responsible capacity in another place refuse to come to this House to give an explanation? My right honourable friend (Rt. Hon. Mr. Graham) has mentioned certain reasons why they would not come. Their ideas may have been quite proper, but I frankly say they are not mine.

My honourable friend our leader on this side (Hon. Mr. Willoughby) has said that he was expressing his own personal views. I should like it to be clearly understood that in what I say to-night I too am expressing a personal opinion and in no way committing, or even representing the views of, the Government of the day.

There are reasons, in which I fully join, why it would be desirable that Ministers of the Crown sitting in one House should appear in the other Chamber to give information and explanations respecting legislation concerning the Department which they administer. I think that would be useful. I think it would be agreeable to public opinion, and to the members of Parliament in the other House, for a Minister, particularly on invitation, to go from one House to the other to explain his proposed legislation. We all have more or less of that streak of ordinary human nature commonly called selfishness, independence, and so on, and the Minister not invited to come and explain would probably not seek an opportunity to do so; but it surely could do no harm to the constitution of the country, or even to his own sensibilities, to make the rules of Parliament such that on request any Minister from one House could appear before the other House and give information concerning the Department he was administering.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. ROBERTSON: I have had the honour of occupying a seat in this Chamber—a great honour, indeed, it has been to me—for more than 15 years, and over a considerable portion of that time I have had the responsibility of administering the Department of Labour, under three different Prime Ministers, usually during periods of our national life and history when more or less difficulty attached to the problems of that Department. It is my personal view, based on experience, that from time to time a useful purpose could have been served by my standing up in another place and explaining some of my measures.

We do not need to hark back very far to find an example which demonstrates what I mean. Only this afternoon, in another House, a private member rose in his place and read from newspaper accounts which, briefly stated, announced that the Premier of a province was on his way to Ottawa to demand of the Federal Government $100,000 as an additional grant to carry on direct relief measures. When that statement appeared in the public press of a city in British Columbia, naturally it was accepted by those who read it as being correct.

Right Hon. Mr. GRAHAM: That would not be on a bill.

Hon. Mr. ROBERTSON: No, but in explanation of a measure.

Right Hon. Mr. GRAHAM: No, that would not be an explanation of a measure; it would be an explanation of a newspaper item.

Hon. Mr. ROBERTSON: If my right honourable friend will pardon me, I shall be through with the matter in a few moments. The fact was that the Prime Minister did come from the Pacific coast to Ottawa, but not for any such purpose as that stated in the newspaper story, for his Government, in common with that in every other province, had been advised a month before that the Federal Government intended to continue the relief of unemployment in accordance with the scheme approved at the special session last year. The Premier, on reaching here, had three conferences with a number of officials and myself, but on no occasion was there any mention of the matter referred to in the newspaper item. Why should there have been, when he had been given assurances of the Government's intention weeks before? Questions were asked in the other House of the honourable gentleman who has been good enough to assume the burden of representing

the Department of Labour there because the Minister of that Department has a seat in this House. He was not familiar with these facts, naturally, and information had to be given to him. He has gone to a great deal of trouble to familiarize himself with information that neither the public nor Parliament expect him to know anything about—for he has enough work in connection with his own Department—and he has done exceptionally well.

Hon. Mr. CASGRAIN: Who is the Minister?

Hon. Mr. ROBERTSON: The Hon. Mr. Gordon. The Minister of Labour would have been put to less trouble and worry if he had been asked to step across to the other House and explain this matter. The explanation could have been given in a few minutes without inconvenience, worry or trouble to other people. If that course were followed it might prevent the broadcasting through the public press of incorrect statements which set the public mind agog and cannot be overtaken for weeks or months by the truth. I submit, honourable senators, that there are great advantages to be gained, from the standpoint of the public weal, by following such a course, although I am not by any means advocating it. It is perhaps more comfortable to have a seat in this House than to have to struggle for one in the other place. I feel somewhat as Lloyd George must have felt when, some years ago, he indulged in what I think was intended to be a bit of sarcasm in a reference to the House of Lords. He said, "Surely goodness and mercy shall follow me all the days of my life, and I shall dwell in the House of Lords for ever." Probably honourable members of this House feel quite content because they are able to enjoy themselves and be at peace with the world, here in the Senate, which is our equivalent of the House of Lords, and are free from the struggles and the perhaps more active life of the other House.

As I said at the beginning, I think that the object of every man in public life ought to be to serve the people; and if that entails personal inconvenience, he should be willing to make the necessary sacrifice. As far as I am personally concerned, I am prepared to support the resolution of my honourable friend from Rougemont (Hon. Mr. Lemieux).

Hon. G. GORDON: Honourable members, this motion reads:

> Resolved, that in order to expedite the business of Parliament, Ministers of the Crown should be permitted to appear from time to time before this House for the purpose of explaining and giving information with respect to Government legislation.

I ask honourable members, as business men, how much legislation would be expedited by such a change in procedure? If ministers came over here and explained their bills, to what extent would that facilitate the work of the other Chamber, which is the only place where business is ever blocked? I have been a member of this House since 1912, and I never knew business to be blocked or unduly delayed here; that sort of thing occurs only in the other House. Suppose ministers came to the Senate and spent a short or a long time, as the case might be, in explaining bills, how much earlier would Parliament prorogue? I venture to say that members of the present Cabinet and former Cabinet ministers would answer that prorogation would not be reached one minute earlier. Therefore I think that from that standpoint the motion should fail.

Reference has been made to the criticism in the press and elsewhere regarding the sittings of this Chamber. Ever since I have been a member of the Senate the matters that have come before this House have been attended to in a businesslike way, and if I did not believe they would be so treated in the future I would not remain here. This House acts on the principle that the work on hand should be done as promptly as possible, and when there is nothing to do we should adjourn. If that has resulted in criticism from the press or any other element in our country, then all I have to say is that the criticism is ill-advised and means nothing.

Hon. F. B. BLACK: Honourable senators, as the hour is late, I move that this debate be adjourned until to-morrow. I should like to make a few remarks about this question.

The debate was adjourned.

GOVERNMENT ANNUITIES BILL

FIRST READING

Hon. Mr. ROBERTSON introduced Bill D1, an Act to amend the Government Annuities Act.

He said: Honourable senators, this is Government legislation; perhaps the first to be introduced in the Senate for some little time.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. LAIRD: The discussion is having effect already.

Hon. Mr. ROBERTSON: The Bill is also of that class referred to by the honourable member from De Salaberry (Hon. Mr. Béique). It is a money bill.

Hon. Mr. CASGRAIN: Has the Governor General given his approval?

Hon. Mr. ROBERTSON: Usually a bill of this kind would be introduced in the other House, but the opinion is, I believe, that it is not necessary to have this Bill preceded by a resolution, and therefore it can quite properly be introduced here.

The Bill was read the first time.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. COPP, on behalf of the Chairman of the Committee on Divorce, presented the following Bills, which were read the first time:

Bill B1, an Act for the relief of Barbara Wallace Barlow.

Bill C1, an Act for the relief of Ray Finkelstein.

PRIVATE BILL

SECOND READING

Hon. Mr. LYNCH-STAUNTON moved the second reading of Bill 27, an Act respecting the Subsidiary High Court of the Ancient Order of Foresters in the Dominion of Canada.

Hon. Mr. LAIRD: Explain.

Right Hon. Mr. GRAHAM: What is it?

Hon. Mr. TANNER: Explain.

Hon. Mr. LYNCH-STAUNTON: The Bill explains itself. It is merely to amend some formal matters in the Order.

Hon. Mr. LAIRD: Does this make any provision for an increase in the insurance rates?

Hon. Mr. LYNCH-STAUNTON: No, it does not.

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

DIVORCE BILLS

SECOND READINGS

Hon. Mr. COPP, on behalf of the Chairman of the Committee on Divorce, moved that Divorce Bills I to Z, inclusive, be given second reading en bloc.

Hon. Mr. GILLIS: If I understood the Chairman of the Divorce Committee correctly, he said a few days ago that it was his intention to make a separate motion for each divorce bill in the future, in order that the House might have an opportunity of considering it.

Hon. Mr. BELCOURT: Why should we spend half an hour in doing something which we can do just as well in half a minute?

Hon. Mr. GILLIS: I am merely remarking—

Hon. Mr. BELCOURT: I understand the honourable gentleman. He says that the Chairman of the Committee on Divorce intended to make a separate motion for each bill. Well, the Chairman of the Committee is not here to do it. There is no such motion before the House, but there is a motion that the Bills be given the second reading en bloc.

The motion was agreed to, on division, and the following Bills were read the second time:

Bill I, an Act for the relief of Agnes Sarah Evelyn Ballard McNaught.

Bill J, an Act for the relief of Dorothy Helen Marie Debnam Almon.

Bill K, an Act for the relief of Rosa Maud Thomson Checketts.

Bill L, an Act for the relief of Mary Ellen Margaret Montague Burrows.

Bill M, an Act for the relief of Olive Hamley Fraser Mann.

Bill N, an Act for the relief of Eleanor Fritz Lawson.

Bill O, an Act for the relief of Florence Marshall.

Bill P, an Act for the relief of Ellen Jane Easton Graham.

Bill Q, an Act for the relief of Gordon Aaron.

Bill R, an Act for the relief of Rita Margaret Mary Longmore.

Bill S, an Act for the relief of Joseph Norman Berger.

Bill T, an Act for the relief of Carl Vohwinkel.

Bill U, an Act for the relief of Joan Marguerite Loggie.

Bill V, an Act for the relief of Alice Boyne Ostiguy.

Bill W, an Act for the relief of Ruth Rosenberg.

Bill X, an Act for the relief of Eileen Sybil Wolfe.

Bill Y, an Act for the relief of Helen Borland Beattie MacNicol.

Bill Z, an Act for the relief of Lillian Freedman Guttman.

THIRD READINGS

Hon. Mr. COPP moved the third reading of the Bills.

The motion was agreed to, on division, and the Bills were severally read the third time, and passed.

PRIVATE BILLS

SECOND READING

Hon. Mr. BEIQUE moved the second reading of Bill 22, an Act respecting the construction and maintenance of a bridge over the St. Lawrence river at Caughnawaga.

He said: Honourable members, I understand that the construction of this bridge will be undertaken by the Provincial Government.

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

FIRST READINGS

Bill 14, an Act respecting the Kettle Valley Railway Company.—Hon. Mr. Green.

Bill 15, an Act respecting the Canadian Pacific Railway Company.—Hon. Mr. Gillis.

Bill 21, an Act respecting the Montreal and Atlantic Railway Company.—Hon. Mr. Tobin.

BANKRUPTCY BILL—PRIORITY OF CLAIMS

FIRST READING

Bill 28, an Act to amend the Bankruptcy Act (Priority of Claims).—Hon. Mr. Black.

JUDGES BILL

FIRST READING

Bill 40, an Act to amend the Judges Act.—Hon. Mr. Willoughby.

INTERIOR DEPARTMENT DISMISSALS

MOTION FOR RETURN

Hon. Mr. McCORMICK moved:

That an order of the Senate do issue for a return setting out in respect of each person: (a) male, and (b) female, residents in Ottawa city, who since April 1, 1931, was discharged from the service in the Department of the Interior, the following information:—

1. Name, age, position held, whether married or single.
2. Period of war service overseas 1914-1918.
3. Number of years in service of government; and whether a permanent or temporary employee.
4. Date of discharge and salary at discharge.
5. Amount of superannuation, pension or other allowance; stating which of these granted.
6. Whether any other member of family household is in service of any department of government; and if so, the name and relationship of each, the service in which employed, and salary received.
7. Whether any other member of family household is in receipt of government superannuation or pension; and if so, the name and relationship of each, and the amount of superannuation or pension received.
8. Whether re-employed in government service; and if so, the date when re-employed, the department in which employed, the salary being received; and whether superannuation or pension is also being received.

The motion was agreed to.

MECHANIZATION OF CANADIAN ARTILLERY

MOTION FOR RETURN

Hon. Mr. SHARPE, for Hon. Mr. Tanner, moved:

That an order of the Senate do issue for a return of copies of all correspondence, recommendations, accounts, vouchers, and other documents, relating to the purchase and repairs of equipment, including spare parts, for the mechanization of the Canadian Artillery since 1928, and until March 31, 1931.

The motion was agreed to.

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

THE SENATE

Wednesday, May 27, 1931.

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

Prayers and routine proceedings.

PRIVATE BILLS

THIRD READINGS

Bill 23, an Act respecting the Essex Terminal Railway Company.—Hon. Mr. Lacasse.

Bill 31, an Act respecting the Burrard Inlet Tunnel and Bridge Company.—Hon. Mr. Crowe.

Bill 22, an Act respecting the construction and maintenance of a bridge over the river St. Lawrence at Caughnawaga.—Hon. Mr. Béique.

Bill 26, an Act respecting the Restigouche Log Driving and Boom Company.—Hon. Mr. Robinson.

Bill 20, an Act respecting a certain patent of A. R. Wilfley and Sons, Inc.—Hon. Mr. Horsey.

ARMISTICE DAY BILL

REPORT OF COMMITTEE

Hon. Mr. BEIQUE, Chairman of the Standing Committee on Miscellaneous Private Bills, to whom was referred Bill A, an Act to amend the Armistice Day Act, reported the Bill with one amendment.

Hon. Mr. DANDURAND: Could we not have an explanation of the amendment?

Hon. Mr. BEIQUE: The amendment is very simple. The Bill read "legal holiday." We strike out the word "legal" as being unnecessary, "holiday" being defined by the statute. If the word "legal" were left in, it would create confusion as making a distinction between a "holiday" and a "legal holiday."

Hon. Mr. FORKE: Does this mean that Armistice Day and Thanksgiving Day will still be observed on the same day?

Hon. Mr. BEIQUE: No.

Hon. Mr. FORKE: It is left to the Government to name the time when Thanksgiving Day shall be observed?

Hon. Mr. BEIQUE: Yes.

The report was concurred in.

PACIFIC SETTLEMENT OF INTERNATIONAL DISPUTES

NOTICE OF MOTION

Hon. Mr. ROBERTSON gave notice that to-morrow he would move:

That it is expedient that Parliament do approve of the accession in respect of Canada to Chapters 1, 2, 3 and 4 of the General Act of 1928 for the Pacific Settlement of International disputes, subject to certain conditions.

He said: I will not burden the House at this time by naming those conditions, but would refer honourable members to the Commons Hansard of May 15, where the details are quite clearly set forth. The motion that I shall move to-morrow will be in substantially the same words as that of the Commons.

Right Hon. Mr. GRAHAM: Are those what are called reservations?

Hon. Mr. ROBERTSON: Yes, I suppose so.

LIQUOR SMUGGLING FROM ST. PIERRE AND MIQUELON

PROPOSED INVESTIGATION

Before the Orders of the Day:

Hon. J. J. HUGHES: Honourable senators, before the Orders of the Day are proceeded with, I wish to call the attention of the House and the Government to a matter of some urgency, possibly of national importance. Last winter I read in the newspapers that the Government intended to institute an inquiry into the smuggling of liquor from the islands of St. Pierre and Miquelon to lower Quebec and other parts on the St. Lawrence river. But to-day I noticed in the Montreal Gazette a despatch stating that this inquiry has not been made yet, and in fact that there has been no Order in Council authorizing such an inquiry, though it is expected that an Order will be passed very soon. The despatch is short and as it is the basis of my remarks I ask permission to read it. It is as follows:

Rum Probe Not So Dead As Believed—New Order in Council Extending Scope Expected to Be Adopted Soon

(Special to The Gazette.)—Quebec, May 26. —A new Order in Council is to be adopted by the Bennett Cabinet shortly, and a start will be made with the rum probe which was to have opened around Easter, according to information in the hands of prominent Conservatives here.

The quest for the Quebec-Miquelon-St. Pierre rum ring, estimated to have mulcted the federal treasury of millions in the last few years through its smuggling activities along the lower St. Lawrence, is not as dead as many Liberals here profess to know; well-informed Conservatives say the probe is considerably more alive than some of the Liberals would prefer.

I have nothing to do with the party insinuations.

According to information here, the delay in starting the inquiry came through discovery that the original Order in Council was not framed in a manner calculated to produce the data desired. The Minister of National Revenue is known to have a keen interest in what seems to some the astounding gap between Ontario and Quebec excise tax totals. So the new Order in Council, it is reported, will lay down that the investigation is to be into "the landing of cargoes on rivers, lakes and harbours of the Province of Quebec." Power will be given to subpoena witnesses or representatives of organizations who, in the opinion of counsel for the Department of National Revenue, would be likely sources of fruitful information.

My suggestion is that the Maritime Provinces be included in that inquiry. We who live in that part of the country know that a very large volume of liquor is smuggled in every year from the islands of St. Pierre and Miquelon. In the circumstances a very large sum of money is lost to the federal treasury, but, in my opinion, the most serious aspect is that the people are being demoralized to a considerable extent.

This smuggling is largely due to the high duties that were placed upon spirituous liquors during the war. I voted for those high duties, thinking at the time that they would have a beneficial effect, but since then I have come to the conclusion that until a change is made, smuggling on a large scale, with all its evil consequences, will continue.

There is another view that I should like to express, and that is that if smuggling is stopped or greatly reduced there will be an increase in illegal home-brewing; and it would be difficult to say whether that evil would be greater than the existing one. I think the inquiry should take this feature into con-

sideration. I should be glad if the honourable leader of the House could see his way clear to tell me that he will bring this matter to the attention of the Government and report results to us.

Hon. G. D. ROBERTSON: The honourable gentleman's remarks are very interesting. I cannot confirm the statement contained in the newspaper item that he has read, but if an Order in Council with regard to this matter is issued in the near future it will, of course, be duly published in the Gazette and all parties interested will be able to see it there.

Hon. Mr. DANDURAND: The official Gazette.

Hon. Mr. ROBERTSON: Yes, the official Gazette; not the Gazette from which the item was read. In the meantime may I assure my honourable friend (Hon. Mr. Hughes) that his remarks will be brought to the attention of the Governor in Council before any such Order in Council is drafted.

HOSPITAL SWEEPSTAKES BILL

REPORT OF SPECIAL COMMITTEE

On the Order:

Consideration of the report of the Special Committee to whom was referred Bill E, an Act with respect to Hospital Sweepstakes.—Hon. Mr. Barnard.

Hon. Mr. BARNARD: I will not discuss the Committee's report at the present time. I understand the honourable gentleman from De Salaberry (Hon. Mr. Béique) intends to move certain amendments, which, I may say, are acceptable to me.

Hon. Mr. BEIQUE: I would suggest that this matter be left over until to-morrow, because the amendments that I intend to move need further consideration.

Hon. Mr. BARNARD: Unfortunately, I cannot be here to-morrow. If the honourable gentleman will leave it until Friday—

Hon. Mr. BEIQUE: I shall not be here on Friday.

Hon. Mr. BARNARD: Say Tuesday next.

Right Hon. Sir GEORGE E. FOSTER: Honourable senators, as I understand the matter, the Special Committee that has reported upon this Bill has suggested an amendment to the last section. Am I correct?

Hon. Mr. BARNARD: Yes.

Right Hon. Sir GEORGE E. FOSTER: From that I infer that the Committee approves of all the rest of the Bill. I do not see any objection to the passage of a motion to adopt the Committee's report, for that does not finally dispose of the matter. I am under the impression that the next move will be to give the Bill third reading.

Hon. Mr. BARNARD: If it will be in any way a convenience to honourable gentlemen, and if my honourable friend from De Salaberry (Hon. Mr. Béique) will move this amendment on the motion for third reading, I am quite satisfied to have the report adopted to-day.

Hon. Mr. BEIQUE: I think it is better to adhere to the regular procedure by dealing with the proposed amendments before the report is adopted.

Hon. Mr. DANDURAND: Does the honourable gentleman intend to move that the Bill be sent back to the Committee for further consideration?

Hon. Mr. BEIQUE: No, I do not think that will be necessary. When we are again considering the Committee's report I shall move the amendments.

The Order was discharged, and placed on the Orders of the Day for Tuesday next.

LEGISLATIVE WORK OF THE SENATE

DEBATE CONCLUDED—RESOLUTION WITHDRAWN

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Lemieux:

Resolved, that in order to expedite the business of Parliament, Ministers of the Crown should be permitted to appear from time to time before this House for the purpose of explaining and giving information with respect to Government legislation.

Hon. F. B. BLACK: Honourable senators, the subject matter of the resolution moved by the honourable gentleman from Rougemont (Hon. Mr. Lemieux) has, in one form or another, been discussed annually in the few years that I have been a member of the Senate. While I am deeply interested in the various suggestions that have been made during this debate, it seems to me there is such a difference of opinion on the question involved that it would be very difficult for us to arrive at any decision that would be beneficial to this Chamber.

I should not have trespassed at all upon the time of honourable members in this connection had it not been that recently I had occasion to look into the history of the two Houses of Parliament and discovered information which I think will be of interest to this House. I found that the manner of conducting parliamentary affairs prior to 1896 was

decidedly different from what it has been since. For instance, the first six Governments after Confederation had a strong Cabinet representation in this House. It was proportionately as great as in the House of Commons. To illustrate: the first Government after Confederation lasted from 1867 until 1873, under the leadership of Sir John A Macdonald. During that period of five or six years the following gentlemen held portfolios and sat in this Chamber: Hon. A. J. Blair—later, I think, Sir John Blair; Hon. J. C. Aiken, Secretary of State; Hon. J. C. Chapais, Minister of Agriculture; Hon. Edward Kenny, Receiver General; Hon. Peter Mitchell, Minister of Fisheries; Hon. Thomas Nicholson, Minister of Inland Revenue.

Hon. Mr. DANDURAND: All at the same time?

Hon. Mr. BLACK: I am coming to that. It is quite true that those six gentlemen were not all members of the Cabinet and of the Senate at the same time. So far as I can find from the records, there were at one time four ministers sitting in this Chamber, three of them with portfolios and one without portfolio.

Then we come to the second Government, from 1873 to 1878, under the Hon. Alexander Mackenzie as Prime Minister. The following members of his Cabinet sat in the Senate: Hon. David Christie, Secretary of State; Hon. R. W. Scott, without portfolio; Hon. Luc Letellier, Minister of Agriculture; Hon. J. E. Cauchon, without portfolio. All four were not Cabinet ministers at the same time, but the records indicate that at one time there were sitting in this House three of the Cabinet ministers, two of whom had no portfolios.

From 1878 to 1891 Sir John A. Macdonald was again Premier, and under his regime there were no fewer than ten Cabinet ministers who had seats in the Senate. They were: Hon. Sir Alexander Campbell, Receiver General; Hon. J. C. Aiken, Secretary of State; Hon. Frank Smith, without portfolio at that time; Hon. L. F. R. Mason, Minister of Militia; Hon. A. W. McLean, without portfolio; Hon. D. L. MacPherson, without portfolio; Hon. Sir John Carling, Postmaster General; Hon. Sir Mackenzie Bowell, Minister of Customs; Hon. Sir John J. Abbot, without portfolio. At one time during this eleven-year period there were three ministers sitting in this Chamber, and at another time four.

Then there was the Cabinet of Sir John Abbot, from 1891 to 1892. Sir John Abbot himself sat in this House as Prime Minister, and the Hon. Frank Smith had a portfolio, but I am sorry to say that at the moment I do not know what it was.

Hon. Mr. MURPHY: Public Works.

Hon. Mr. BLACK: Public Works; I think that is right. Hon. Sir Mackenzie Bowell was Minister of Customs and a senator at the same time.

The Premier at the head of the fifth ministry, from 1892 to 1894, was Sir John Thompson. I am of the opinion that three members of that Cabinet held seats at one and the same time in this House. Perhaps some honourable member will be able to correct me if I am wrong. I have been unable to find any definite information on the matter in the records that I have searched. Those three were the Hon. Frank Smith, Sir Mackenzie Bowell, and the Hon. A. R. Angers.

In the sixth Cabinet, from 1894 to 1896, there sat in this House, representing the Government of the day, Sir Mackenzie Bowell, Prime Minister, Hon. A. R. Angers, and Hon. Frank Smith.

So far as I have been able to ascertain, from the year 1896 down to the present, the Cabinet has on only one occasion been adequately represented in this Chamber. That was, as mentioned by the honourable senator from Rougemont (Hon. Mr. Lemieux) yesterday in his address, in the year 1921, when we had for a short time three representatives of the Crown, with or without portfolios, sitting in this Chamber.

Hon. Mr. BELCOURT: In 1896 there were three.

Hon. Mr. BLACK: That is what I said. I named the senators in the sixth Cabinet, from 1894 to 1896. Now, in 1921—

Hon. Mr. BELCOURT: In 1896 there were three.

Hon. Mr. BLACK: The seventh Cabinet? Hon. A. R. Angers—

Hon. Mr. MURPHY: No; afterwards.

Hon. Mr. BLACK: That is, under Sir Wilfrid Laurier? Then there were the Hon. R. W. Scott and the Hon. J. K. Kerr.

Hon. Mr. MURPHY: He was not in the Cabinet. There was Sir Oliver Mowat.

Hon. Mr. BLACK: The records I have do not give it in that way. If they are incorrect I am glad to accept the correction, because it strengthens still more the argument—if it may be called an argument—that I wish to make, which, after all, is not

to support the proposal made by my honourable friend (Hon. Mr. Lemieux), but to strengthen the suggestion that we might have better Cabinet representation in this Chamber.

Right Hon. Mr. GRAHAM: Not better representation, but more of it.

Hon. Mr. BLACK: Yes. After all, I think that all of us, before coming to this Chamber, were supporters of one political party or another. I agree that after we come here our minds become mellow, our ideas broaden, and our sensibilities perhaps are blunted. At all events, we in this Chamber are not as strongly partisan as we were before coming here. Nevertheless, we still owe and maintain our party allegiance, and I ask: could we not, since 1896, have exercised some influence with the Government of the day whereby adequate Cabinet representation should be given to this Chamber?

Now I want to go back a little farther and give you another impression that I have gained from perusing the records. It seems to me that in the earlier days a great many more measures, both Government and private bills, were initiated in this Chamber than have been initiated here since I have become a member of this body. If you look back to the time of the first three Cabinets you will find that a very substantial proportion of the legislation of the day was introduced in this Chamber, and that Cabinet ministers introduced their bills as they now introduce them in the House of Commons. Whether or not that led to the shortening of the session is, in my opinion, open to doubt. The records lead me to believe that when measures initiated in the Senate came up for consideration in another place they were discussed at just as great length as if they had not already been dealt with in this Chamber. It does appear to me, however, and it must appear to every member of the Senate, that it would be a great advantage to have many bills originate in this House, a more mature body than the Commons, and to have such bills considered in a much more equable manner than they can be in an elective Chamber.

We criticize the members of the House of Commons because they spend three, four or perhaps five weeks in the discussion of what, after all, is a purely academic matter, if anything discussed in Parliament is academic, namely, the Speech from the Throne. All the Speeches from the Throne that I have ever read were as fine a sort of camouflage as I have ever seen. The apparent intention of the Speech was to say nothing in many words. But the members of the other Chamber feel that they owe it as a duty to their constituents to rise and give their opinions on various subjects, and so long as democratic institutions exist that sort of thing is bound to continue. I do not attach any blame to the members in that regard. I think we should all do the same, and many of us have done it, in an elective Chamber.

If the Senate has been slighted in the matter of ministerial representation, the Governments or the parties are to blame, and if we cannot bring enough influence to bear on the parties that we have supported in the past, at all events, and are supposed to support now, we cannot expect any redress along this line.

Personally I have no objection whatever to Ministers of the Crown coming into this Chamber and explaining their measures. In many cases I should be very glad indeed to have them do so. I think it was the right honourable gentleman from Eganville (Right Hon. Mr. Graham) who yesterday admitted his own sins, saying that when he occupied an important position in another Chamber he refused to be induced or coerced to come here. We may have had the right to send the Sergeant-at-Arms after him, but I am afraid that he would have had an armful, and I doubt very much that he would have been able to bring the right honourable gentleman here.

Right Hon. Mr. GRAHAM: You would have had to get a new Sergeant-at-Arms.

Hon. Mr. BLACK: If that is the position that ministers in another House are going to take, what are we to do about it? I do not think we should place ourselves in the position of begging ministers to come here. If they wish to come, let us extend to them the courtesies of the Chamber. If they refuse, they miss the opportunity of addressing a very honourable body, and it is their loss.

There is another suggestion that I have to make. Looking across the floor, I see Privy Councillors to whom I give credit for having the ability to fill any breach or meet any emergency. Then I look along this side of the House and see everywhere men who could very well represent the Government in this House, and who, if ministers from the other House did not come over here to present important measures, might well be appointed deputies, if you like, to represent the various important ministers and explain the measures coming before us. They could act in the Senate as the representatives of

the ministers in the other House, and, having studied the subject to be discussed here, could give us a great deal of information such as we do not now receive. I am quite in accord with anything that would have the effect of giving us more information than we are now getting.

As to the criticisms that have continually been made concerning the adjournments of this House and the attitude of the members, I have only this to say. I have a very high regard for the press of this country, and I think it reports very fairly not only parliamentary proceedings, but the news of the country. I think few countries are blessed with as accurate a press as we have in Canada. It is true that mistakes are made; it is also true that because we are not an elective body, and because some of our friends of the press become sometimes a little humorous, they make us the butt of their humour. If that pleases them, however, I am perfectly willing so far as I am concerned, that they should be pleased, and if there is anything to laugh about, I am perfectly willing to laugh with them. I do not think that affects any of the members of this House.

As to adjournments, I for one, ever since coming to this House, have been ready and willing—as I hope I shall always be—to stay here when there was anything to be done; and I think that every member of this Chamber takes the same attitude. But if there is no work for us here, whose fault is that? It is not ours. And I maintain that we are of more benefit to ourselves, to the provinces that we represent, and to Canada, when we are at home attending to our own affairs than when we are sitting here twiddling our thumbs because we have nothing else to do. I do not think there is any measure of discredit to be cast on this House because it does not sit when there is no work to be done. We always have done the work that has come to us, and while I do not believe in our patting ourselves on the back, I would say, from my own observation, that the work that has come to the Senate in the past has always been well done. I think that is the consensus of opinion in both Chambers and outside. I think it is a mistake for us to sit when there is no work to do. To read in Hansard that the Senate sat at 3 o'clock and adjourned at 3.15 simply makes us ridiculous. Those who have to stay in Ottawa may do so, but men who are worthy of sitting in this Chamber are certainly useful citizens of the country, and if there is none of the country's business to be done here they can be doing it elsewhere. Therefore I have not very much sympathy with the idea of remaining here when we have really no business to discuss.

That, honourable members, is about all that I have to say. I thought that possibly a memorandum as to the representation in this Chamber in earlier days might be of some interest to those who did not know or had forgotten it. It was only by accident that I became aware of it. I would suggest to the two honourable gentlemen immediately to my left, worthy representatives of the Government in this House, that they use their influence to see that the present Government accords greater representation to this House. I have no doubt that with their abilities and powers of persuasion they can effect some improvement.

Meantime I have no doubt that the country generally regards this body with favour. The idea that the Senate is unpopular has not come my way, at all events. We shall always be criticized. We always have been. Any legislative body, elective or otherwise, is bound to be criticized. But it is a very fortunate thing for Canada that we have one Chamber that is not elected. I consider that a nominative Senate is just as important as a nominative judiciary, and I think an elective Senate would be a greater misfortune to Canada than an elective judiciary. We have an illustration in the situation across the border. Without making any invidious comparisons I may say that the subversion of justice across the border is in many cases solely due to the fact that the bench there is elective and not nominative. A change from a nominative to an elective Senate would bring about just the same condition that prevails in the Commons. To begin with, we should talk two or three weeks on the Speech from the Throne, because we should have to go to our constituencies; and we should discuss endlessly every little amendment that we thought might affect our constituency or our interests in it. The safeguard of the constitution is the Canadian Senate. May it always remain practically as it is to-day, nominative and not elective.

Hon. N. A. BELCOURT: Honourable members, it is not my intention to labour this question. It seems to me that the whole ground has been pretty well covered, and while I do not think that I can add very much to what has been said, I want to point out one aspect of the question which has been referred to but once. I take it that it is assumed—it was by the honourable gentlemen who spoke—that we must amend our

rules in order to enable a Minister of the Crown to come to us with his measures. I do not think that is at all necessary; and even if we did amend the rules we should still have to persuade the members of the Cabinet to come here. So I do not think we should consider this matter at all with a view to the amendment of the rules, and if that is regarded as an objection to the proposal advanced by the honourable gentleman from Rougemont (Hon. Mr. Lemieux) I think it must disappear.

Judging from the discussion that has taken place, I take it that nearly everybody here would welcome the presence of any Cabinet Minister for the purpose of explaining his measures to us, and I do not know why we do not put the question to the test. Soon, perhaps within a very few days, the Secretary of State, who has charge of the Bill amending the copyright law—a very important matter and one which I think might very properly have been introduced in this House —will be bringing in his Bill. I think that the Senate, to be logical, ought on this occasion to put to the test the very proposal that we have been discussing.

Hon. Mr. GRIESBACH: By what procedure?

Hon. Mr. BELCOURT: Let us see whether there is any disposition on the part of any of the members of the Government to come to us to explain their measures.

Hon. Mr. GRIESBACH: By what procedure?

Hon. Mr. BELCOURT: I am coming to that. I would suggest that the leader of the Government in this House invite the Hon. Mr. Cahan, Secretary of State, to come to us with his Bill when it is passed by the House of Commons, and explain it; and I would urge that the invitation be extended as soon as possible. We should then know whether there is any disposition on the part of Cabinet ministers to come here and explain their bills. We may then be in a position to do something more definite, or at all events we should be better able to judge whether it is advisable to press the resolution which has been moved here, or to drop it for good.

Hon. Mr. WILLOUGHBY: What authority would he have to address the House without an amendment of the rules?

Hon. Mr. BELCOURT: If this House invites him to speak, surely that is sufficient authority.

Hon. Mr. WILLOUGHBY: Oh, yes.

Hon. Mr. BELCOURT: No further authority would be needed.

Hon. Mr. McLENNAN: With respect to the value of the work done in the Senate as compared with that of the House of Commons, I should like the honourable member to consider the effect of our admitting that the Senate could deal more efficiently with a bill after we had received explanations from a Cabinet minister who has a seat in another Chamber. There are at present plenty of means of obtaining the information desired.

Hon. Mr. BELCOURT: I am not thinking so much of our getting a better understanding of Government bills. I do not take that to be the object that the honourable member from Rougemont (Hon. Mr. Lemieux) had in mind. At any rate, what I am more interested in is the expediting of legislation. We are able to understand any bills here without the assistance of members of another Chamber. What is desired, as I understand, is some means of shortening the session. I think all honourable members have that in mind, and if we can achieve that purpose in the way that has been suggested, so much the better. The point is, can we shorten the sessions by carrying out the suggestion of the honourable member from Rougemont? But I am not greatly impressed with the thought that if this suggestion were put into effect we could do our work better.

Right Hon. Sir GEORGE E. FOSTER: Honourable senators, we have had a very pleasant and, I think, instructive discussion. I rise to suggest that something should be done so that the discussion may be fruitful of results. From the time that I have taken an interest in public affairs I have been in favour of a Senate that is mainly nominative, but I have sometimes thought that provision might be made for the selection, by the Government or some other authority, of men who have not been participants in party conflict, but are noted for their educational, business or professional achievements. My experience has led me to believe that the Senate should be mainly or wholly nominative. The temptation for a Government to appoint to the Senate men who have been supporters of that Government and given it good service is naturally very strong and is commonly yielded to. Because of this fact, perhaps in some instances nominations have been made which were not quite so advantageous to the Senate as some that might have been made had the conditions been different. But to have an elective Senate, composed of members who would go to the same constituencies

as the members of the other House, or even to different constituencies, would, I think, introduce conditions which would not be favourable to the best work being done by this Chamber.

I have always been of the opinion that, whatever Government is in power, a certain number of Cabinet ministers should have seats in the Senate. There is a wide diversity in the portfolios of our country. Some are said to be of a class which necessitates that the ministers concerned should be members of the other House; but it could be taken as a rule that at least two of the seventeen or eighteen departmental portfolios should be held by senators. The method of having information brought by tunnel into the Senate by a member who is not in the Cabinet and has no portfolio has worked fairly well, but not well enough. The time when information on any topic is wanted and can be put to the best advantage is when the topic is being considered. Let us take for example the period during which my honourable friend opposite (Hon. Mr. Dandurand) was Government leader in this House. He was a member of the Cabinet without portfolio, and when we wanted information with reference to any department of the Government it had to come through him. We were, let us say, discussing some affair of state, a public bill or a matter of administration, and after various opinions were expressed it became necessary to get certain facts. At that stage perhaps I would rise and ask my honourable friend for the information, but he would quite properly say, "I have not a portfolio, and therefore all I can do is to promise to make inquiry and to bring the results of that inquiry to this House later." That immediately threw a wet blanket over the whole discussion. Had an answer to the question been available at the time, it would have been of very great advantage, but the House would probably not receive the information for two, three, five or even ten days afterwards. When the information was obtained it would frequently be found inadequate, and in the meantime most of the interest in the discussion had been lost. After a few experiences of that kind, sometimes made worse by adjournments, one felt it futile to press the matter further. Now, I think that for the sake of the honour, the strength and the self-respect of the Senate, there ought to be at least two Cabinet ministers, with portfolios, permanently in this Chamber.

Hon. Mr. TESSIER: Hear, hear.

Right Hon. Sir GEORGE E. FOSTER: I believe the policy of having two ministers here would be of very great advantage to us.

Many suggestions have been made by honourable members who have taken part in this debate. Is the matter to rest here? Is nothing more to come of it? Or shall we carry the thing further and see whether a workable plan cannot be arranged? Here we have ninety-six members, all more or less experienced in public affairs, and many standing high in the business or professional world. Some of our members are intimately concerned with the management of great industries. Is our combined experience not worth something? Surely it is. Yet is it not a fact that most of that experience is not made use of in the Senate? Now, I should like to know if it is not possible for us to devise some means whereby this ripe experience represented here shall be utilized more extensively than it is. The administration of government has not been brought to a state of perfection; there is no mould or pattern which we are bound to follow. I take it that it is a question whether or not past and present parliamentary usages are not becoming a little stale—

Hon. Mr. BELCOURT: Hear, hear.

Right Hon. Sir GEORGE E. FOSTER: —and a matter of some dissatisfaction to the country. In other words, it is a question whether governmental and political administrative methods are not likely to be greatly varied by new conditions. The members of this body are brought here from all parts of Canada, are free from party bias and stand ready, willing and able to project themselves into the public service of this country. Then why is all this ripe and mellow experience that we have here not being availed of to the extent that it might be? In the future, I believe, the tendency will be away from the making of laws on academic and theoretical grounds, and in legislative matters there will be more and more use for research, supported by skill and experience. Herein I think that the Senate has now, and in the future will increasingly have, scope for the exercise of its abilities.

Now, after all the talk that we have heard on this resolution, why should we not examine the matter a little further? A new Government is in office, and I feel sure that it has some new ideas with regard to administrative affairs. Should we not ascertain what the opinions of the new Government are in this respect? My suggestion is that we should, if possible, have a joint committee of both Houses to consider and frankly discuss what can be done towards bringing about a more intimate relationship between the two Houses, for the common good. I feel sure that through

the interposition of the Government the other House would name some of its members to act on a joint committee with a few members of the Senate. The one great end towards which we press is the wise development of this great heritage which God has given us and for which we are responsible. I think it is possible to carry out the suggestion I have just made. Honourable senators, we are—what shall I say?—

Hon. Mr. TANNER: We are here.

Hon. Sir GEORGE E. FOSTER: We in this House are in danger of becoming fossilized by inaction. I am one of those who have pinned bouquets upon our breasts in recognition of the fact that legislation has been handled wisely and well in the Senate. Undoubtedly we are entitled to those bouquets, but it is a question whether we have handled all the legislation that we could. Suppose, for the sake of argument, that one-tenth of a certain class of legislation is initiated in this Chamber. We have not by any means absorbed all our energies in that, and it is possible that we could have attended equally well to two-tenths or five-tenths of the legislation. The more duties we perform in this connection the wider our influence will be.

I do not know whether I have made a preachment or proclaimed an absurdity. Like my right honourable friend who sits opposite me (Right Hon. Mr. Graham), I look back upon a long course in the other Chamber, during which I gave many hours of hard work to the administration of offices that I held and to the promulgation and defence in the House of the measures that at the time seemed best. As I look back I feel bound to confess that, to the advantage of the country, I could probably have done all that I did without consuming so much of the time of the House, and with less activity in the combative sphere. We are all inclined to say: "Yes, they are doing too much talking in the other House. They spend two, three or four weeks on academic reviews of rural or city fights, and past combats, and they do not accomplish much in the way of giving an impulse to real progress and prosperity in the country." We have all sinned in some way, but now we honestly feel and act a little differently. I am sure that honourable members of this House agree that they could do much more than they are now doing, and that if there were fewer long adjournments they could contribute more to the public weal than they are now giving. Why not, then, try to discover the possibilities? We have two sympathetic gentlemen here to my left (Hon. Mr. Willoughby and Hon. Mr. Robertson), both of whom have influence in the other House. The honourable the Minister of Labour has a great influence. The opinion he has expressed here indicates his sympathy towards anything that would help to strengthen and increase the work that we do. But this practice of taking simply the modicum of legislation that is presented to us, dealing with it well, but quickly, and then going away to our homes and private businesses, rather tends to dampen our ardour and lessen the impulse towards further and greater exertion.

Now, I have in a very halting way thrown out some suggestions. Why not explore the ground? It would be of the greatest possible interest to members of the Senate to have the honourable the Secretary of State, for instance, stand here in our midst and give us a complete exposition of the Copyright Bill—to take one example that has been mentioned. Speaking for myself—and I think there are many others who are in the same position—I should be gratified to see, and greatly helped by listening to, a Minister from the other Chamber making such an exposition as that; and I believe in my heart that the Minister would feel it an honour to have the privilege of doing so, and would get a fresh impulse from coming to a Chamber like this, for, whilst imparting wisdom, he would, as every speaker does, draw wisdom and strength from the men to whom he speaks.

Hon. F. L. BEIQUE: Honourable members, I join in the suggestion of the right honourable member who has just taken his seat, that this important question should be dealt with by a joint committee of both Houses rather than that the long discussion that has taken place should have no result. I hope that the leader of the Government in this House (Hon. Mr. Willoughby) will consult with the Prime Minister and try to secure his assent to the appointment of a joint committee of both Houses to discuss the question and try to find a solution.

Hon. J. BUREAU: Honourable members, as I read the resolution on the Order Paper, it is intended to find ways of expediting business; and one of the ways suggested in the resolution is to allow Ministers of the Crown to come to the floor of the Senate and discuss or explain their legislation. If legislation is initiated in the House of Commons we have ample opportunity, by reading Hansard, to learn all about it—to obtain all the details and explanations that we want—because the members of that House are, I think, more inquisitive than we are.

After listening to the speeches, and coming to the conclusion that we are unanimous in regarding the Senate as a revising body, it seems to me that it would be contravening the rules to initiate Government legislation here. My honourable friend to my right (Hon. Sir Allen Aylesworth) has called my attention to the fact that it was intended by the constitution that the Senate should be a revising body. It was meant to be composed of men of a certain age, men whose political passions were mellowed, as has just been said by the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster). The constitution provides that anyone appointed to the Senate must be at least thirty years of age, and that, once appointed, he remains a senator for life; and it is my experience that we do not grow any younger by sitting here. Some may say that we are given a new lease of life, but as the years pass age overtakes us. If we initiate legislation in this Chamber, we are not allowing the Senate to play the role that it was intended to play, but are making the House of Commons—which is composed of young and aggressive men upholding particular interests, believing them to be the interests of the country—a revising body to review the work that we have done. Has that aspect of the question been taken into consideration?

As to the coming here of Ministers of the Crown, I for one should be delighted to listen at any time to any or every Minister of the Crown explaining his legislation on the floor of the Senate; but all of us, especially those who have sat in the other House, know that a Minister of the Crown very seldom brings legislation before the House without having seated by his side the Deputy Minister, or an accountant, or an engineer, who furnishes him with details which enable him to answer the questions that may be put to him. A similar privilege is recognized in this House. I remember very well that when the legislation concerning a certain department was before the Senate the officers of that department were allowed to sit alongside the honourable gentleman who represented the Government, in order to give him the necessary information and expedite matters.

What have we to complain about? We never have delayed legislation; we have never been accused of passing legislation hastily. Though I have not been in this House as long as some honourable gentlemen, I have been struck by the fact that the committees of the Senate are attended by a greater number of members than are the committees on the other side of Parliament; and, speaking from an experience of thirty years, I am of opinion that most of the detail work is done in the committees. It is there that questions are asked. In the House we carry on academic discussions, we give bills second readings, and discuss the principle, but when we want to know whether we should accept or reject a bill we send it to committee. Why is that done? It is in order that we may obtain all the detailed information that is necessary for the purpose of forming an opinion and making a pronouncement upon the bill.

I think the honourable member from Pictou (Hon Mr. Tanner) struck the right note yesterday. What is the object of raising this question here? Is it to discuss the prerogatives and powers of the Senate? That has already been done. A committee appointed for that purpose secured the opinions of eminent legal lights on the question, and that committee made a report. So we should be pretty well posted. We are told also, by an honourable gentleman on the other side (Hon. Mr. McLennan), that in 1919 a committee was appointed to inquire into the machinery of government, and that a report was made at that time. If any senator on perusing the statutes finds anything that should be amended and has any suggestion to make, let him make it. Naturally I have no objection, as I have already said, to listening to a Minister of the Crown explaining any bill in the Senate; but what I want to know is how we are going to expedite business by having a Minister come here to explain his bill and do some talking. If you bring a Minister here he will repeat what he has already said in the House of Commons when he was called upon there to explain his bill.

I always admire my right honourable friend from Ottawa (Right Hon. Sir George E. Foster) when he is in a reminiscent mood and goes back to the days when he was more fiery than he is to-day. In the days of youth we were all filled with a more exuberant spirit and a desire to go out and fight the world. We do not want that spirit to be renewed here. If any communication or explanation is to be given to the House, and it is not given by a senator, we may find that we are not as mellow as we think. If we were to see a Minister of the Crown on the floor of the Senate, the sleeping political partisan might awake, and in putting our questions to the Minister we might undertake to teach him something. That is only human. All our arguments must be made from a human standpoint as well as from a business standpoint. If the presence of a Minister is going

to expedite matters, for goodness sake let us know how. Nobody has yet shown that it would. On the other hand, if we adopt the practice of initiating legislation in this House and letting the other House revise it, we may be sorry for it some day. That that was the fear of my honourable friend the leader of this House (Hon. Mr. Willoughby) was apparent when he suggested to my neighbour (Hon. Mr. Lemieux) that there was no mistake about the Senate being a revising body.

My main purpose in rising was to ask how business is going to be expedited by Ministers who are not members of the Senate being permitted to address us. If anybody can enlighten me, I am willing to say: "Let them come." Otherwise I cannot see but that we should be wasting not only our time but theirs in having them repeat what they had already said in another place, all of which could be read in Hansard.

The Hon. the SPEAKER: Is it your pleasure, honourable members, to adopt the motion?

Some Hon. SENATORS: No! Lost!

Hon. R. DANDURAND: I am perhaps late, and surely out of order; but as we have been discussing this matter for some time, and as my honourable friend from La Salle (Hon. Mr. Bureau) has put a question, perhaps it is as well that we should speak our minds freely and fully. As to the question whether we can expedite the business of Parliament by allowing Ministers from the other Chamber to come here, I suggest that it can be approached from only one angle. The House of Commons takes two or three weeks to discuss the Address, two or three weeks to deal with the Budget, several weeks to vote supply—all matters that do not concern this Chamber. During all that time the Commons cannot deal with anything else. If in those periods, amounting in all to perhaps two months, Ministers could appear in this Chamber and place before it the other important legislation of the session, that legislation could be thoroughly scrutinized here in our standing committees or in Committee of the Whole and then sent back to the House of Commons. Would such procedure not shorten the discussions in the House of Commons? That is the question that I put.

Hon. Mr. GILLIS: Do I understand that the honourable gentleman suggests that these measures should be dealt with in this House before being introduced in the House of Commons?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. GILLIS: Only a certain class of legislation could be dealt with here.

Hon. Mr. DANDURAND: Well, of course, money bills could not be introduced here. But it seems to me that the House of Commons would not find it necessary to spend as much time as it now does on important measures of other kinds if they were dealt with in the Senate first.

Hon. Mr. BEIQUE: There is nothing to prevent the doing of that now; there are no rules against it.

Hon. Mr. DANDURAND: No.

Hon. Mr. BEIQUE: It can be done to-day, or any day.

Hon. Mr. DANDURAND: Yes. But is it advisable to invite Cabinet ministers to come to this Chamber and present their legislation? And the question has been asked: if ministers did appear here, what advantage would result? Would the sessions become shorter? Would business be expedited? I suggest that business might be expedited if more bills were passed through the Senate first and, as a result, the other House spent less time on them than it would if those bills had originated there. My honourable friend from Rougemont (Hon. Mr. Lemieux) was Speaker of the House of Commons for some eight years, and I think that he will bear me out when I say that on many occasions the members of that House have been so satisfied with the work done by the Senate on certain bills that they have passed them with little or no discussion. As an instance, we gave a great deal of care to a Bill that made a number of amendments to the Bankruptcy Act, and when that Bill was sent over to the other House it was approved there without delay.

Hon. Mr. GILLIS: Honourable senators, I fail to see how we could possibly expedite the business of Parliament by following the course suggested in the resolution. It is true that we might obtain valuable information from Ministers of the Crown with respect to bills that they are sponsoring, but the bills, after their passage through this House, would have to be sent to the House of Commons and go through the usual course. As I listened to the discussion it seemed to me that the resolution was wrongly worded. If the honourable member from Rougemont (Hon. Mr. Lemieux) had drafted a memorial asking the House of Commons to put its legislation through more quickly so that we might have more time for considering it, or if the resolution had been to the effect that certain types of legislation should be initiated in this House, the discussion might have had a more practical outcome.

Hon. Mr. CURRY: Before the motion is put I should like very much to hear from the honourable leader on this side (Hon. Mr. Willoughby), and also from the Minister of Labour (Hon. Mr. Robertson).

Hon. Mr. DANDURAND: They have given their opinions.

Right Hon. Mr. GRAHAM: They both spoke yesterday.

Hon. J. J. HUGHES: Honourable senators, I desire to make but a few remarks before the discussion is concluded. There is a very important committee of the other House, known as the Public Accounts Committee, which goes over the Auditor General's report of the preceding year. As honourable members who have attended that committee know, the discussion at times is rather acrimonious. Could a committee of this House perform that work well? There is in the minds of the people sometimes a doubt as to the actual amount of the public debt. Would a finding of a committee of this House on a matter of that kind give useful information to the country? There are so many committees of the other House that the members there often find it difficult to attend them all, and occasionally perhaps the work is not so well done as otherwise it might be. Now, could some of that committee work be apportioned between the two Houses? At the present time committees of the Senate deal with bills that have passed the other House or have been initiated here, but as far as I know none of our committees deal with matters like those handled in the Public Accounts Committee. In the other House there is a surplus of work and here there is a shortage. Could we not, to the advantage of the country at large, assume a larger share of the burden?

Hon. C. MacARTHUR: Before the honourable the leader of the Government in this House (Hon. Mr. Willoughby) and the honourable the Minister of Labour (Hon. Mr. Robertson) speak, as they have been requested to do by the honourable gentleman from Amherst (Hon. Mr. Curry)—

Hon. Mr. DANDURAND: They have already spoken.

Hon. Mr. MacARTHUR: Before the discussion closes I should like to make a few observations that I think are relevant. The suggestion has been made that under-secretaries might be appointed to represent the Government departments in this Chamber, but my opinion is that the system we now have is preferable. Each department has a deputy minister who is supposed to be, and I believe is, non-political in his attitude. These deputies are familiar with the details of their respective departments and are of great assistance to their ministers; in fact, the ministers rely upon them. We have had deputy ministers in this House assisting the Government leader at various times, and, as all honourable members know, it is a common thing for a minister in the other House to have his deputy sitting beside him when matters concerning his own department are under consideration. If we had ministers appearing here to explain their legislation we should be in danger of considering matters from a partisan point of view.

To appoint senators as ministers with portfolios is, it seems to me, to discriminate, for a minister who has a seat in the other House is obliged to go to his constituents for election, whereas a senator is not put to that trouble. Furthermore, I think it is generally considered in the other House that the portfolios should be held by members of the elective body because, for one reason, appointment to the Cabinet is looked upon as a promotion and as one means of rewarding the faithful service of some who have fought in the ranks. I am not saying that I agree with sentiments of that kind; I am merely expressing what I think is the fact.

We should never forget that the people of Canada look upon the Senate as a judicial rather than an initiating body. Throughout the country it is generally felt that the members of this House have dispensed with their former political sympathies and deal with every piece of legislation impartially on its merits. As the honourable member for Westmoreland (Hon. Mr. Black) remarked, all legislative bodies are open to criticism. On the whole, though, the Senate is well regarded. What would be the situation if we had two or three Cabinet ministers sitting in this Chamber? Of necessity we should be urged, more strongly than we now are, to put through legislation for the Government of the day. The ministers would naturally attend Council meetings, where the whole policy of the Government is discussed, and ways and means for putting through Government legislation are considered. Consequently we might find considerable pressure being exerted here. We do not want that kind of pressure, and therefore we should be careful before we open the door to what perhaps may be called, not an innovation, but a custom that prevailed prior to 1900. The system in the Senate is not perfect, but I do not see how it can be very greatly improved unless we get more

legislation, and then we shall run up against the difficulty mentioned by the honourable member from La Salle (Hon. Mr. Bureau). I submit that if we reverted to the practice of having in this Chamber more Cabinet ministers with portfolios, we should not be in a position to consider legislation in the impartial way that we do at present.

Hon. W. B. WILLOUGHBY: I desire first to make a brief statement in reference to the remarks of the honourable member for La Salle (Hon. Mr. Bureau). It always should be borne in mind that this House acts as a revising body, and I think we ought not to attempt to make any change in that respect. Inasmuch as we are a revising body, we cannot very well be to the same extent an originating body. But it seems to me that more of one class of legislation might be initiated in this House: I refer to private bills. I can well imagine that members of the other House, particularly junior members, may be eager to introduce private legislation that is popular with their constituents, and that they are desirous of getting all the kudos that may result from the passage of their bills, but I do not know why all private bills could not originate in the Senate. It would need only a slight revision of our rules to make this possible. Members of the other House who are interested could appear before our committees and give all the information at their disposal, with a view to assisting in the passage of the measures. Honourable members who, unlike myself, have had the privilege of sitting in the other House know that a considerable amount of time is spent on some private bills there. If we initiated all such legislation here we should not be abdicating our important position as a revising body. It might be said that the time of ministers would not be saved by a change of this kind, since they are not interested in most of the private legislation; but the fact is that they do have to give some attention to it and are constantly being importuned to support or oppose some of these bills. I think that if all private bills originated in the Senate and the interested members of the Commons appeared before our committees, the measures would be so thoroughly dealt with that the other House would need to spend very little time on them.

I am not going to attempt to add any general remarks to those I made yesterday on the subject-matter of this resolution. The whole question has been considered and presented to the House more fully than at any other time since I have been a member. Until the matter is definitely settled one way or the other it will, no doubt, be a subject of discussion. I desire to say that I shall carry out what I feel is my duty as leader of the House, in association with the honourable gentleman to my right (Hon. Mr. Robertson), who is a member of the Cabinet, to bring to the attention of the leader of the Government and others in authority the representations that have been made here. My honourable friend to my right will deal with the matter himself. I cannot state what the result will be, but at any rate we shall carry out the implied mandate of this House in that respect.

Hon. Mr. BELCOURT: May I ask my honourable friend if he will go the logical step further and accept the suggestion which I humbly made to him, to test the matter out by requesting the Hon. Mr. Cahan to come to this House and explain the Copyright Bill?

Hon. G. D. ROBERTSON: Replying to my honourable friend from Ottawa (Hon. Mr. Belcourt), I think it would be unbecoming for the Senate to invite a Cabinet minister from another place to appear here and address this House unless we had first consulted with the particular minister and the Government itself in the matter.

Hon. Mr. BELCOURT: That is exactly what I am suggesting.

Hon. Mr. ROBERTSON: The suggestion made by my honourable friend last night, I thought, was rather to this effect: "Let us invite them, and if they do not want to come that is their misfortune and ours."

Hon. Mr. BELCOURT: No, I did not say that.

Hon. Mr. ROBERTSON: I hardly think we should adopt that method of approach. Perhaps in the remarks that I made last night I intimated that I should not be averse to such procedure, but I feel that whatever is done should be the result, not of the separate action of either House, but of co-operation by the two Houses after inquiry has been made of the Government and the minister concerned, as to whether an invitation would be acceptable.

If I may go a step further, I would say this. I take it that this House consents to the question being brought to the attention of the Prime Minister and his colleagues. If that is so, I shall be glad to bring it to their attention, and perhaps at an early date I shall be able to give the Senate an idea as to how the Government views the proposal that for the purpose of closer co-operation and in

order to expedite the business of Parliament, the members of this House should be given an opportunity to ask questions, and receive answers thereto, concerning legislative or administrative matters coming within the jurisdiction of any Minister. I think, however, that before we actually play our card, and rather than have somebody trump it, we ought to know how the Ministers would regard such a move. If it is agreeable to the House I shall be glad to bring to the attention of the Prime Minister the discussion that has taken place, and to give him my conception of the views and desires of the honourable member who introduced this motion. I think that the more or less academic discussions of departmental matters and the cross-firing of question and answer that sometimes occurs in another place might not be desirable or wise here. I feel confident, however, that if a Cabinet Minister in the other House received a courteous request to come to the Senate and give it information, he would accede to it. I speak perhaps without knowledge. In view of the statement of my right honourable friend from Eganville (Right Hon. Mr. Graham) that he might object if he were in the Government, I may be pardoned for saying that maybe it is not unfortunate that he is not a member of the Government at the present time. I will see that the matter is brought to the attention of the Government.

Hon. Mr. DANDURAND: I would draw my honourable friend's attention to the notice of motion I gave in 1922, which had in view the safeguarding of the Minister's freedom of action. It read:

> The Minister administering the department may, with the consent of the Senate, upon the initiative of the Minister representing the Government, enter the Senate Chamber.

So the matter would rest with the representative of the Government in this Chamber.

Hon. Mr. ROBERTSON: I recall distinctly the time when my honourable friend brought that proposal to the attention of the House, and although I was not a member of the Government at that time, I well remember that I was quite in favour of the suggestion.

Hon. G. LYNCH-STAUNTON: I have no intention of making a speech, but I want to recall an incident that occurred after I came into this House. There was a feeling that we should have a minister here. A deputation of members from this side of the House waited on the Right Hon. Sir Robert Borden, represented to him that the Senate deemed it desirable to have a minister in this House, and suggested that Sir James Lougheed should be appointed. Sir Robert Borden took the proposal into consideration, and shortly afterwards Sir James Lougheed was made a minister; at first, I think, without portfolio, and afterwards with portfolio. Now, if we desire to have in this House ministers without portfolio, as was suggested by the right honourable member from Eganville (Right Hon. Mr. Graham)—and that appears to me to be a real solution of the difficulty—a deputation from the House should wait upon the Prime Minister, and the results might be as happy as those that followed the efforts of the former deputation.

Right Hon. GEORGE P. GRAHAM: Honourable members, I am out of order, as everybody is, or has been, but since my honourable friend the Minister of Labour (Hon. Mr. Robertson) has apparently singled me out for attention, let me point out to him that he never yet has had the experience of being a Minister of the Crown in the House of Commons. His task, so far as Parliament is concerned, is comparatively, so to speak, a "feather-bed" task. He can devote nearly all his time to his Department, whereas a Minister in the House of Commons has to attend that House regularly for nearly six months in the year, and must be ready to answer such questions, about almost anything, as may be put to him before the Orders of the Day—and sometimes the questions are very irksome. If the Minister, like a Minister in the United States, or like my honourable friend, did not have to be present every day at parliamentary sittings and undergo all the attendant worry and turmoil, he would have plenty of time to come to the Senate or go anywhere else. However, such is not the situation.

I think that the further we have gone the worse muddled we have become. I do not see any way out except the one that I have suggested, which perhaps would not be popular, of having in this House three or four ministers who would take on the burden of explaining Government measures here. However, I am of the view, and have been for months, not being an old senator—although some may disagree as far as the word "old" is concerned—that there ought to be the closest possible co-operation between the two Houses. But it should be conducted along sane lines. I am hardly impressed with the idea suggested in the resolution, though I may be wrong about that. There is more or less underlying friction between the two Houses. I think that our situation would be improved, the country would be better off, and the people better satisfied, if some plan could be devised under

which we should be looked upon as a co-efficient with the other House in matters of legislation as well as in responsibility. Just how that is to be accomplished is the question. I think the suggestion made by the honourable gentleman from De Salaberry (Hon. Mr. Béique) is not a bad one. But we must not rush into it. It is something to be considered. We do not know just what the response might be. If we were to ask a Minister to come here, and he were to refuse, the fat would be in the fire. Government policy as well as ministerial responsibility would be largely involved. The members of the Government would probably come if such action were in accordance with Government policy.

Hon. Mr. GILLIS: There is no way of forcing them.

Right Hon. Mr. GRAHAM: Unless the Prime Minister told them they had to come. Then probably they would come. I never operated under a Prime Minister who talked to me in that way. I usually talked first.

However, it strikes me that this discussion has reached a point where we need to do some thinking, rather than take any precipitate action; and, as the Minister of Labour (Hon. Mr. Robertson) and the leader of the Government (Hon. Mr. Willoughby) say, it is better first to approach the Government to see how such a proposal would be received. One suggestion might get a good reception; another one might not.

I have no right to make any suggestion to the honourable gentleman from Rougemont (Hon. Mr. Lemieux), but yesterday he said that he did not intend to press his resolution to a vote—that he only wished it to have full consideration. I think his attitude in that respect was the right one. If this resolution were voted down, the door might be for ever shut against negotiation; if it were to carry, the Government might reasonably say we had not followed the proper procedure in passing such a resolution, and that we should have negotiated with it first. While the method suggested in the resolution is not, I think, the proper one, nevertheless good will come of this discussion if we only get as far as bringing to the attention of the Government what has been so clearly established here, namely, that we are desirous of closer co-operation between the two Houses of Parliament. Such being the case, if the resolution were withdrawn, the Minister of Labour could discuss the matter with his colleagues; and in their own good time—for governments cannot be rushed—we should receive an answer. Then, I think, everything would have been accomplished that can be accomplished through the medium of discussion, and conference might follow.

Hon. R. LEMIEUX: Honourable members, I wish first of all to thank the Senate for the attention that it has given to this resolution. I did not expect it to carry the day the first time it was presented. I desired only to propose some remedy for the existing situation. Let us make no mistake about it, the people to-day are not as favourably disposed towards the Senate as they should be, because, rightly or wrongly, it is represented throughout the country that the Senate is inactive, and wilfully so; which is not the truth. I have pointed out that the fault lies elsewhere, and have very modestly presented certain suggestions to remedy the situation. I have suggested the presence of a larger ministerial representation in this House; I have suggested the presence of under-secretaries here; and, finally, I have suggested free consultation between the two branches of Parliament through members of the Cabinet coming from the Commons to the Senate to explain Government policies and legislation.

My right honourable friend from Eganville (Right Hon. Mr. Graham) said a moment ago that we seemed to muddle more and more as we discussed this question. That is in accordance with British tradition. In the old days in England the power of government was centered in the Star Chamber; then the centre shifted to the House of Lords, and later to the House of Commons, so that to-day we may say that the House of Commons in England rules the country and that the Prime Minister of England has more power than His Majesty the King. The British, as usual, have muddled through, but finally each branch of the Government has obtained its share of work and influence.

We must not imagine insurmountable obstacles where they really do not exist. A conference, as suggested by the honourable senator from De Salaberry (Hon. Mr. Béique), is quite feasible. The Government would listen to a proposal from this honourable Chamber to facilitate and expedite the business of Parliament. My honourable friend from La Salle (Hon. Mr. Bureau) does not find that what has been proposed would expedite business. Well, we have to mark time for almost a month at the beginning of the session while the members of the House of Commons discuss the Address, and we are again obliged to mark time for probably a month while they discuss the Budget; so I say that it is worth while to consider any plan whereby the Senate might save several weeks

by taking up in this House legislation that now has to be left in abeyance in the other Chamber because the Government is represented here by only one member, or because it will not consent to legislation being initiated, promoted and passed in this House. I claim that when this House had studied the legislation and passed it through the mill the House of Commons would be responsive to the arguments that had been adduced in favour of it.

I said yesterday, honourable members, that I did not intend to press my motion. I did not want to approach the Government with a club in my hand and ask it to say yes or no. Therefore I prefaced my resolution with a pious wish. My right honourable friend from Eganville (Right Hon. Mr. Graham), who is an old-time Liberal, a Reformer, says that if you wish to reform you must begin at the beginning. I say that if you are content to leave matters as they are to-day you will not carry with you the sentiment of the country. The right honourable gentleman knows that in his own province, which in the old days was the nursery of constitutional and responsible government in Canada, there is to-day a large body of public opinion opposed to the Senate. The right honourable gentleman is a journalist, one of the best and most enlightened, and he can tell me whether or not I am right in saying that the press of his province generally is opposed to this Chamber. I refer him to the organ of the late George Brown, the Toronto Globe. The Toronto Globe at times expresses sorrow that the Senate is only marking time, and wants to reform it. I appeal to my right honourable friend as an old Reformer to follow the example given by the two members who so ably represent the Government in this Chamber. I was agreeably surprised to find that the honourable the Minister of Labour (Hon. Mr. Robertson) and the honourable leader of the Government in this Chamber (Hon. Mr. Willoughby) heartily supported the principle of my motion; and I was more than happy—I was proud—when it was supported also by the venerable member, the junior senator from Ottawa (Right Hon. Sir George E. Foster), with his long experience in parliamentary life. But the right honourable gentleman from Eganville (Right Hon. Mr. Graham) is right: I said last night that I would not press this motion to a vote. I intend to keep my word. I regret to learn, however, that one of my old leaders is satisfied with the present condition.

I want the Senate to be restored to its original place in the public opinion of this country. I want the Senate to occupy that position which it held for many years after Confederation. My honourable friend from Westmoreland (Hon. Mr. Black) has shown how highly the first five or six Governments of the Dominion regarded this Chamber. Though, as I said a moment ago, I shall not press the resolution to a vote, I believe that public opinion is now in favour of the change that I have suggested. The wind of democracy is whistling about the walls of Parliament, and the Senate must so act as to make unnecessary any drastic move by the people. I have the greatest respect for and confidence in this honourable body. I am perfectly satisfied with the promise given by the honourable the leader of this House and his colleague, the Minister of Labour, that they will convey to the Government the representations that have been made in the course of this debate.

My honourable friend from La Salle (Hon. Mr. Bureau) said a few moments ago that the Senate is a revising body. Anyone who reads the British North America Act—as I did last night, in company with my honourable friend from La Salle—will see that our powers are equal to those of the House of Commons, except with respect to subsidies and aids, which may be initiated only in the other House. The general legislation of this country may originate in either House. If I may say so, I think that the absence of Cabinet ministers from this Chamber indicates a lack of appreciation of the Senate. We are becoming, in the eyes of the country, merely a rubber stamp. Well, I for one object to being considered a rubber stamp. I take my tasks as a senator seriously. When I observe in countries like Germany and France a system that permits ministers to pass from one House to the other and give explanations on government measures in either House, I do not see why we cannot have something along the same line in Canada.

Hon. Mr. WILLOUGHBY: The ministers in France are not members of either House, are they?

Hon. Mr. LEMIEUX: Not necessarily.

An Hon. SENATOR: They are elected.

Hon. Mr. LEMIEUX: The members of the Assemblée Législative are elected by the people, but the members of the Senate are elected by the second degree rule of the Conseils Généraux for a period of nine years. Sometimes it happens there, as in the United States, that Cabinet ministers are not members of one House or the other, but they can appear before both.

I thank honourable members for their kind attention and for the able expressions of

approval and criticism that have been given on my resolution in the course of the debate. I desire especially to thank the Government, through the leader of this House and the Minister of Labour, for having so willingly accepted the principle of the resolution.

The resolution was withdrawn.

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

THE SENATE

Thursday, May 28, 1931.

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

Prayers and routine proceedings.

PRIVATE BILLS

REPORT OF COMMITTEE—THIRD READING

Hon. Mr. BLACK, Chairman of the Standing Committee on Banking and Commerce, to whom was referred Bill 27, an Act respecting the Subsidiary High Court of the Ancient Order of Foresters in the Dominion of Canada, reported the Bill with one amendment.

The report was concurred in.

Hon. Mr. BLACK, with the leave of the Senate, moved the third reading of the Bill.

Hon. Mr. DANIEL: Honourable senators, I think that the mover should ask for the unanimous consent of the House for the third reading of the Bill, since otherwise it cannot be given a third reading on the same day that the report is presented.

Hon. Mr. BLACK: I moved the third reading with the leave of the Senate.

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

REPORT OF COMMITTEE—THIRD READING

Hon. Mr. BLACK, Chairman of the Standing Committee on Banking and Commerce, to whom was referred Bill 13, an Act respecting Grain Insurance and Guarantee Company, reported the Bill with one amendment.

The report was concurred in.

Hon. Mr. BLACK, with the leave of the Senate, moved the third reading of the Bill.

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

REPORT OF COMMITTEE—THIRD READING

Hon. Mr. BLACK, Chairman of the Standing Committee on Banking and Commerce, to whom was referred Bill H, an Act respecting the Railway Employees Casualty Insurance Company, reported the Bill without amendment.

The report was concurred in.

Hon. Mr. BLACK, with the leave of the Senate, moved the third reading of the Bill.

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

DOMINION LANDS ACT AND DOMINION FOREST RESERVES AND PARKS ACT

APPROVAL OF ORDERS IN COUNCIL

Hon. W. B. WILLOUGHBY moved the following resolution:

Resolved, that the following Orders in Council, laid on the Table on the 17th day of March, 1931, be approved:—

Orders in Council which have been published in the Canada Gazette between the 7th of December, 1929, and the 21st January, 1931, in accordance with the provisions of Section 75 of the Dominion Lands Act, Chapter 113, R.S. 1927.

Orders in Council which have been published in the Canada Gazette between the 7th of December, 1929, and the 30th May, 1930, in accordance with the provisions of Paragraph c, Section 21 of the Dominion Forest Reserves and Parks Act, Chapter 78, R.S. 1927.

He said: Honourable senators, the purpose of this motion, as it is clearly stated, is simply to obtain the Senate's approval of certain Orders in Council which have been published in the Canada Gazette, in accordance with the Dominion Lands Act and the Dominion Forest Reserves and Parks Act. The Orders in question have been tabled for some time.

Hon. Mr. DANDURAND: Are these Orders in Council that must be approved by the two branches of Parliament?

Hon. Mr. WILLOUGHBY: Yes.

Hon. Mr. DANDURAND: They are submitted to the House of Commons as well?

Hon. Mr. WILLOUGHBY: I believe so.

The motion was agreed to.

PROCEDURE OF THE SENATE

NON-OBSERVANCE OF RULES

Before the Orders of the Day:

Right Hon. Sir GEORGE E. FOSTER: Honourable members, before the Orders of the Day are entered upon, I should like to

make just a remark or two in reference to the dispatch of business and the information that ought to be available to every member of the Senate who is present at the time.

Hon. Mr. DANIEL: A little louder, please.

Right Hon. Sir GEORGE E. FOSTER: There is a practice that is deprecated by most speakers, but, nevertheless, seems to persist in our transaction of business. I notice that in another place the present Prime Minister has firmly taken the stand that the business should be carried on in accordance with the rules of the House. The leaders on both sides of this Chamber have again and again subscribed to the same principle in relation to the Senate, but one is allowing the principle to be contravened, and the other is raising no audible protest.

Hon. Mr. DANDURAND: But I am cogitating much.

Right Hon. Sir GEORGE E. FOSTER: A number of bills have been before the Banking and Commerce Committee—a very careful and experienced body: it has dealt with them all, and the Chairman has brought in reports upon them. Naturally, when he has presented a report to this Chamber he wishes to get the business off his hands as quickly as possible, in order to be ready for new business when it comes. That is very praiseworthy. But a large proportion of the members of the Senate are not members of the Committee and consequently are not familiar with the action that has been taken. The rules of the House provide for orderly stages of procedure so that anyone who is attending to his business may know what is being done, and cannot complain that legislation has been passed without his having had an opportunity to comprehend it. When my honourable friend brings in the reports of his Committee, item after item is read before the Chamber. In one report the Committee recommends the passage of a Bill without amendment. That Bill has already been discussed in the House and we are quite conversant with its provisions; so there cannot be much objection to its immediate passage, though it might be preferable to proceed by regular stages in every case. As we meet here from day to day, there is no reason why even a bill that the Committee has not amended should not be allowed to stand until the next sitting of the House. There is practically nothing to be gained in time or efficiency by our putting it through immediately. But the situation is worse when a bill comes from the Committee with an amendment. I defy any member of this House who has not been in the Committee, and consequently does not know what has been done there, to understand just from the reading of the report the effect of that amendment. We must have some respect for the wisdom of age, and equally for the infirmity of age. One whose hearing is not very acute does not always get the sense of what is read, and when there is an evident desire on the part of the Chairman of the Committee to get the measure through, one very much dislikes to intervene, and so remains in his seat and lets it pass. Would it not be better to proceed by regular stages and thus relieve us all of the onus of having to object?

I may say to honourable members that my hearing has considerably improved within the last six days, for I took occasion to say to His Honour the Speaker: "You have a good voice, which has been heard on many a platform in the Province of Quebec and is capable of reaching the outermost ring of a large outdoor audience. What is the reason that you cannot reach the limits of this Chamber, or speak so that I can hear you?" Since then I have heard every word His Honour the Speaker has said—with the possible exception of the prayers, which I am able to follow without hearing all the words. I have noticed also that my hearing of the Assistant Clerk of the House has improved. When he stands up and reads I hear every word. I suspect that he has been prompted by the leader of the House to raise his voice somewhat. I thank both him and the Speaker very much for my improved hearing.

I make these remarks just because I deem it my duty—I may be censured for performing it—to ask that in future, unless there is a case of prime emergency, the regular stages be followed so that it will be possible for an aged and inefficient member like myself to understand exactly what is going on.

Right Hon. Mr. GRAHAM: I would not venture to say that.

Hon. R. DANDURAND: Honourable members, I am in accord with all that the right honourable gentleman (Right Hon. Sir Geo. E. Foster) has said as to the desirability of observing our rules of procedure. Last week the honourable leader of the Senate and I suggested that the rules should be more closely followed. As the right honourable gentleman seems to think that in this instance I share in the responsibility for allowing the motions of the Chairman of the Banking and Commerce Committee to be immediately adopted,

I desire to make an explanation. I attended in the Committee. The bills were insurance bills, and the one or two small amendments were adopted at the suggestion of the Superintendent of Insurance, although he was not quite sure that they were absolutely necessary. In the regular course of procedure the third readings of these bills would have been deferred until to-morrow. I should have been inclined to suggest that postponement but for the fact that I am not quite certain when we shall have a Supply Bill, Royal Assent, and an adjournment. I thought the probability of an adjournment was perhaps the reason that actuated the Chairman of the Banking and Commerce Committee in proceeding as he did.

Right Hon. Sir GEORGE E. FOSTER: We shall have to take your excuse.

Hon. Mr. POPE: Since a reference has been made to His Honour the Speaker, I want to point out to some of those older members up there that we juveniles down here do not hear a solitary thing they say.

Right Hon. GEO. P. GRAHAM: Honourable members, there is another angle to what my right honourable friend has said about rules of order. If we were sitting constantly we could adhere strictly to the rules of the House, but sometimes applicants for legislation are not sure, after their bills are reported, when they will be read the third time if the regular procedure is followed, and they urge that the third reading be given immediately so that they may not have to run the risk of being delayed by an adjournment. The solicitor for a big company that has some bills to come before the Railway Committee came to me to-day and explained that under ordinary circumstances his clients preferred that the Railway Committee should not deal with their bills until next week; "but," he said, "you may not be here next week, and if there is to be an adjournment they may change their minds." I think the reason why chairmen of committees are sometimes urged to move the third reading as soon as possible is the fear that the legislation may be delayed by an adjournment of the Senate.

Right Hon. Sir GEORGE E. FOSTER: In that case the situation could be explained, and no reasonable man would object.

ARMISTICE DAY BILL

THIRD READING

Hon. Mr. GRIESBACH moved the third reading of Bill 8, an Act to amend the Armistice Day Act.

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

GOVERNMENT ANNUITIES BILL

SECOND READING

On the Order:

Second Reading of Bill D1, an Act to amend the Government Annuities Act.—Hon. Mr. Robertson.

Hon. G. D. ROBERTSON: Honourable members, while this Order is on the Order Paper, I have just discovered that the Bill is not on my file, and I am wondering whether other honourable gentlemen are in the same predicament. If the House agrees, I can give a synopsis of what the Bill contains. There is only one slight amendment to the law as it exists. If honourable members prefer to have the second reading postponed, I have no objection to letting the Bill stand until copies are distributed.

Hon. Mr. LOGAN: Go on.

Right Hon. Sir GEORGE E. FOSTER: When the Bill does come up, I shall have a question or two to ask in regard to the heavy advertising expenses involved in the carrying out of the Act—

Hon. Mr. LOGAN: Louder.

Right Hon. Sir GEORGE E. FOSTER: —and which, to my mind, have been largely unnecessary.

Hon. Mr. STANFIELD: Louder.

Right Hon. Sir GEORGE E. FOSTER: The honourable Minister will kindly inquire into that.

Hon. Mr. MACDONELL: We cannot hear.

Hon. Mr. ROBERTSON: There is no need to delay on that score. Since January last there has not been a dollar spent for advertising in connection with annuities.

Right Hon. Sir GEORGE E. FOSTER: But I did not limit my remarks to January last. I have no objection at all to our going on with the Bill now.

Hon. Mr. DANDURAND: Has the honourable gentleman a copy of the Bill?

Hon. Mr. ROBERTSON: It is just being distributed. I move the second reading of the Bill.

Bill D1, an Act to amend the Government Annuities Act, amends the Act in only one respect. Section 8 as it now stands reads as follows:

An annuity shall not be granted or issued on the life of any person other than the actual annuitant, or for an amount less than ten dollars a year; and the total amount payable by way of an annuity or annuities to any annuitant or to joint annuitants shall not exceed $5,000 a year.

The amendment proposed in the Bill that is now before the House provides that the maximum shall be reduced from $5,000 to $1,200. The reason for the change is this. Only a few of the annuities purchased amount to more than $1,200 per year, or $100 per month. The average of the annuities purchased during the past year, for example—and there were roughly 1,700 of them—amounted to about $444. Occasionally, however, some person will come along and lay down $60,000 or more and purchase an annuity of $5,000, which is the maximum under the Act.

The Annuities Act, by the way, originated in this House and was introduced by the Right Hon. Sir Richard Cartwright, the then Minister of Trade and Commerce. The purpose of the Act was to give frugal persons in the humbler walks of life an opportunity to put their savings into a safe investment, the equivalent of a security backed by the Government. The terms of the investment are stated in the certificates that are issued to the annuitants. I think that originally the largest annuity possible was $600 a year. Subsequently this was increased to $1,200, and a few years later to $5,000.

Hon. Mr. DANDURAND: How long ago?

Hon. Mr. ROBERTSON: About 1920, if I remember correctly, the last change was made. In the years 1928, 1929 and 1930 the annuities were extensively advertised, as my right honourable friend from Ottawa (Right Hon. Sir George E. Foster) has just mentioned.

Experience has indicated to the Department and the officers responsible for the administration of this Act that no good purpose is being served by the sale of annuities of from $2,000 to $5,000 a year to a very few persons, and that it would be better to encourage a wider sale among the poorer classes of people. Therefore it is the Department's view, which is approved by the Government, that the maximum amount payable as an annuity should be reduced to the former limit of $1,200 a year. The purpose of the Bill is to give effect to that view.

Honourable members may be interested to know that last year 1,772 annuities were sold, of which 1,482 were for amounts of less than $600, and 212 were for amounts between $600 and $1,200. That is, 1,694, out of the total of 1,772, fell within the limit that is now proposed. Nine were for amounts ranging from $2,500 to $5,000, 16 for amounts between $2,000 and $2,500, and 38 for amounts between $1,200 and $1,500.

Hon. R. DANDURAND: Honourable senators, I think it would be wise to allow a few days for us to think over this matter and arrive at a more mature conclusion with regard to it. I may say that my first reaction to the proposal of my honourable friend is rather favourable. If annuities ranging in amounts from $2,000 to $5,000 continue to represent but a very small proportion of the total number, then the whole scheme will be placed under a heavier burden than it otherwise would. The risk assumed on a $5,000 annuity, for example, should be spread over a large number of persons. I know that this is the experience of ordinary life insurance companies. The Treasury, of course, benefits when annuities lapse on the death of the subscriber, but I think there would have to be a large proportion of such lapses in order to justify on an actuarial basis the issuing of a comparatively small number of large annuities. I can see the difficulty that faces the Department. At the moment I am not in a position to express my opinion more fully with regard to the proposed reduction of the maximum to $1,200, and I suggest to my honourable friend that we should have the second reading now and postpone the committee stage for a few days.

Hon. Mr. ROBERTSON: I am quite agreeable to following the suggestion of my honourable friend. May I ask that he keep in mind, when considering the Bill, the possibility of abuse which now exists? Without stating whether abuse actually does arise, I point out that there is opportunity for it.

Hon. Mr. BUREAU: In what way?

Hon. Mr. ROBERTSON: A person who has, say $62,000 or $63,000, could purchase an annuity of $5,000, which under the law could not be touched because of any debts he might have. If a person wished to defraud his creditors he could do it in that way. Before the maximum was increased from $1,200 to $5,000, the records indicate, there was very little, if any, abuse of that kind. I submit that the suggestion to reduce the maximum to the former amount of $1,200 is reasonable and fair.

Hon. N. A. BELCOURT: Can my honourable friend tell us now, or when we take up this Bill again, how the system of annuities has worked out so far, in a financial way? I should also like to know if the actuary can make a forecast, based on the experience of the past and the usual expectancy of death, as to how the scheme will work out in the future. Of course, I realize that the Act has not been in operation for very long, and it may not be possible to give

a complete answer to my questions; nevertheless, I believe that figures could be furnished which would indicate pretty clearly whether in legislating for annuities the Government has been prudent, and also whether it would be wise to make changes for the operation of the Act in the future. It may be that even $1,200 is too high a maximum and that we should limit it to, say, $600; on the other hand, the figures may indicate that it is better to leave the maximum as it now is.

Right Hon. Sir GEORGE E. FOSTER: Honourable senators, I happened to hold the office of Minister of Trade and Commerce in succession to Sir Richard Cartwright, who introduced this legislation and had control of its operation for a short time. I am entirely in accord with the proposal to reduce the limit to $1,200, and indeed I should not be opposed to a reduction to an even smaller amount. The original purpose of the legislation was to make it possible for people in the poorer classes to provide for their old age by the purchase of annuities of undoubted security.

I had my own views with reference to the matter of expense in carrying out the Act, and I was greatly astonished to find when looking over some answers to questions in the other House, that some $57,000 had been spent by the Government in advertising annuities, under a contract made with an advertising firm. For some time I have been of the opinion that annuities should be handled by the Department of the Postmaster General, on the ground that extensive publicity could be given to them at very small expense by that Department, which possesses all the facilities required. We have thousands of post offices in this country, each managed by at least one officer of the Crown, and a very large proportion of our people visit these post offices from time to time. The advantages of investing in annuities could be advertised effectively and cheaply by posters displayed in the various post offices. Persons who became interested after reading the posters could apply to the Postmaster for further information. I understand that since the present Government came into office the advertising contract has been discontinued and the intention is not to spend a large sum in the future in giving publicity to annuities. Therefore, I do not see that any good purpose would be served by my expressing further objections to what has been done. The suggestion as to the handling of annuities by the Post Office Department may stand for what it is worth.

Hon. Mr. FORKE: Up to a short time ago, at any rate, annuities were advertised by placards in all country post offices; and this may still be done, so far as I know.

Hon. R. LEMIEUX: Honourable senators, my impression is that the advertising was calculated to appeal to the poorer classes of the people. There were, for example, illustrations of an old couple walking towards a home that was shown in the distance, and they were represented as expressing their pleasure because they had had the foresight to invest in a Government annuity. I am not sure, though, that the present suggestion of the Government should be adopted. I was a member of the Government which instituted the annuities system, and, as I remember, the country looked upon the measure as a piece of progressive legislation. There was no distinction, that I can recall, made between the different sections of the people, whether rich, well-to-do or poor. A feature that made a strong appeal to everyone was the small cost of administering the Act. I think there was but one official in charge; I forget his name now, but he came from Toronto, where he had been the secretary of Sir Oliver Mowat, I believe. Now, $50,000 is not a very great sum to spend in advertising annuities, in comparison with the amounts that are expended on the publicity programs of the smaller insurance companies. I am not thinking of big institutions like the Sun Life. Most of the companies publish a monthly pamphlet, which is distributed throughout the country, and they make heavy appropriations for newspaper and magazine space. With so many unsound businesses clamouring for the savings of poor people, it seems to me that the good features of annuities should be more widely advertised. Are you not afraid that otherwise the people will lose confidence in the institution itself? After all, the Government receives the money for the annuities for a certain number of years, and, as it uses that money, it does not lose thereby. It seems to me that the spreading in the public mind of the idea that the Government is doing this business just as insurance companies are inspires the public with confidence. I should be very sorry indeed if the annuities were to be reduced to almost nothing. My honourable friend the Minister of Labour seems to think that perhaps the day will come when the amount will be reduced from $1,200.

Hon. Mr. ROBERTSON: No.

Hon. Mr. LEMIEUX: That would be a calamity to the country. There have been many frauds and shams into which, through

alluring prospects held out in advertising, the poorer classes were induced to put their money. We have seen evidences of them lately in Montreal, Toronto, Ottawa, and elsewhere. When we have a solid institution like our system of annuities we should do our best to maintain it and propagate it. When this legislation was being promoted I was a member of the Government, and I well remember hearing Sir Wilfrid Laurier and Sir Richard Cartwright telling the people that it was for the purpose of meeting a demand. The people wanted to place their savings with the Government, because they knew that the money would be safe in their hands.

I shall await the further explanation to be given by the Minister.

Hon. Mr. FORKE: I wonder whether the Minister could say off-hand what amount of money is required to purchase a $5,000 annuity?

Hon. Mr. ROBERTSON: While I may be prone to get out of order, I understand that we should not discuss details on the motion for the second reading. I shall be happy to provide all the information that has been asked for when we go into Committee on the Bill. I could answer most of the questions from memory now, if that were desired; but I feel that this is not the time to do it.

I may say that my right honourable friend from Ottawa (Right Hon. Sir George E. Foster) is somewhat mistaken as to the cost of the advertising. For the last couple of years it has run to about $12,000 or $15,000 a year.

Hon. Mr. TESSIER: How much?

Hon. Mr. ROBERTSON: From $12,000 to $15,000 a year. My right honourable friend referred to an amount of $57,000 that he saw mentioned in answer to a question asked elsewhere.

Hon. Mr. LEMIEUX: The amount mentioned by the Minister seems very moderate.

Hon. Mr. ROBERTSON: It may be proper to explain that apparently it has been the custom of more than one department during recent years to pay the advertising accounts not out of the current year's appropriation, but out of that of the following year. That has happened in this particular case. Honourable senators may remember that for a couple of days recently in another place there was a discussion on supplementary supply that was intended solely for the purpose of paying an indebtedness, mainly to the Printing Bureau, for advertising of various sorts. It was necessary to straighten out the account so that the new administration might be held responsible only for its own obligations. So it is fair and true to say that the cost of advertising for 1930 was roughly $14,000, not $57,000.

I think honourable members will agree that it is desirable that the annuities fund should be self-supporting.

Hon. Mr. DANDURAND: Hear, hear.

Hon. Mr. ROBERTSON: That has not been the case for several years, and obviously there must have been some reason for it.

Hon. Mr. BELCOURT: It is likely to become worse in the course of years.

Hon. Mr. ROBERTSON: No.

Hon. Mr. BELCOURT: Yes.

Hon. Mr. ROBERTSON: No. Perhaps my honourable friend will give me an opportunity to state the facts. From the year 1928 onward the annuities increased very substantially in number and in size, and as a result of the policy followed numerous annuity salesmen were authorized to operate on a commission basis. The larger the annuity they sold, the larger the commission they collected. Then it became apparent that the business was not self-supporting, and the officials of the Department, after investigation—and I can assure you that I also gave the question some careful thought—came to the conclusion, of which the Government has approved, that from several standpoints it is not advisable to continue to send out agents to solicit the purchase of annuities by people who have $50,000 or more available for the purchase of insurance. If those people want to spend so much money on insurance there are plenty of companies operating for a profit to whom they may go. It is not intended that the Government should continue this method of canvassing.

Hon. Mr. LEMIEUX: The rate to the annuitant is much lower than the rate of the ordinary insurance company.

Hon. Mr. ROBERTSON: Slightly lower.

Hon. Mr. DANDURAND: Materially so.

Hon. Mr. ROBERTSON: No; slightly so. When you take into consideration the cost of soliciting business you find that the business is not self-sustaining.

Hon. Mr. DANDURAND: What I was saying was, not that it is self-sustaining, but that the cost to the annuitant is much less than it would have been had he applied to a regular insurance company. That is what

leads me to believe that we should put the benefits at the disposal of those classes that can least afford to pay for an annuity.

Hon. Mr. ROBERTSON: My honourable friend is right so far as the cost to the individual annuitant is concerned.

May I say one word with reference to advertising? Recently there has been adopted in a small way a method of advertising that has brought real results. I refer to radio talks in various parts of the country, bringing to the attention of the public the benefits of the Annuities Act. People will listen to a radio talk on annuities when, perhaps, they will not read advertisements occupying a couple of inches in the newspapers. In this respect the advertising has, in my judgment, been profitable—profitable to the annuitant. But I question the advisability of continuing to solicit subscriptions where the annual return from the annuity is more than $1,200 a year. That method is open to abuses and seems to be undesirable. Commission payments necessarily are high, and they have to be made out of the amount required for the purpose of making the scheme self-sustaining.

Those are the reasons why the Bill is introduced. I shall be glad to furnish details to the House when the Bill is taken up in Committee.

Hon. Mr. MURPHY: Did I understand the honourable gentleman to say that there was no such advertising contract as was mentioned by the right honourable member to his right (Right Hon. Sir George E. Foster)?

Hon. Mr. ROBERTSON: That is quite in error.

Hon. Mr. MURPHY: There is no contract?

Hon. Mr. ROBERTSON: There was a contract which ran, not for a set period, but from month to month, and the cost of which amounted to about $12,000 or $14,000 a year as long as it continued. That contract was abrogated last January.

Hon. Mr. BELCOURT: Would my honourable friend add to the information that I have already requested the rate of commissions paid for annuities?

Hon. H. W. LAIRD: Speaking with all due deference to the Minister, I do not think he has given sufficient reasons for the passing of this legislation. The principle of annuities is either right or wrong. If it is right, I can see no good reason why it should be limited in its application to the man who wants $1,200, and should not be extended to one who wants $1,500 or $2,500. On the other hand, if the principle is wrong, there is no reason why the Government should engage in the business at all. Furthermore, if the principle is right, and the Government do engage in the business, it is within their own power to put it on such a basis that it will not cause a loss to the country. We all know that in the matter of annuities, as well as in the matter of insurance in general, the charges are fixed on the basis of figures determined and furnished by competent actuaries. We know further that when actuaries furnish figures of that nature they include in them a charge for the administration of the business. This being so, there is no reason why the Government should lose money on the business, if it is right in principle and they are bound to continue in it. The Government have it in their own hands to remove any possibility of loss; for instance, by increasing the rates so that they will cover the cost of administration.

As for advertising, I do not see how that enters into the question at all. In any case the advertising would be included in the cost of administration. In the second place, I do not think that what has been said on that subject is a good reason to advance in favour of a Bill which reduces the amount of annuities. If the principle of the business is right and the actuarial rates are correct, then the greater the volume of business done by the Government, the lower the overhead to be charged against the country. Perhaps the Insurance Department can furnish some reason why this legislation should be passed. As yet I do not think the House has that information. Reserving the right to discuss the principle of the Bill, I have no objection to its passing the present stage; but I think the Minister should come to the House with all the data necessary to cover the points raised.

Hon. Mr. DANDURAND: I would ask my honourable friend to give us information as to the cost of administering the scheme. I have a vague recollection that the whole cost of the administration was to be borne by the State, and that it does not enter into the amount of the annuity.

Hon. Mr. ROBERTSON: That is right.

Hon. Mr. DANDURAND: May we have also some information as to the standard amount asked by the insurance companies for annuities of from $500 to $5,000?

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

DIVORCE BILLS

SECOND AND THIRD READINGS

Bill B1, an Act for the relief of Barbara Wallace Barlow.—Hon. Mr. McMeans.

Bill C1, an Act for the relief of Ray Finkelstein.—Hon. Mr. McMeans.

PRIVATE BILLS

SECOND READING

Hon. Mr. GREEN moved the second reading of Bill 14, an Act respecting the Kettle Valley Railway Company.

Hon. Mr. DANDURAND: Can the honourable gentleman tell us whether this is the famous Kettle Valley railway that about twenty-five years ago shook Parliament to its foundations?

Hon. Mr. GREEN: I am glad to tell the honourable gentleman that it is the same railway.

Hon. Mr. BELCOURT: Fifty years ago.

Hon. Mr. GREEN: Not quite so long ago. Since that time a considerable proportion of the railway has been built. It was amalgamated with the Fernie and Midway Railway, and has been taken over by the Canadian Pacific Railway. This Bill provides for the renewal of a charter under which they expect to extend southward towards the American boundary.

Hon. Mr. DANDURAND: It was in 1901 and 1902.

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

SECOND READING

Hon. Mr. GILLIS moved the second reading of Bill 15, an Act respecting the Canadian Pacific Railway Company.

Hon. Mr. DANDURAND: Will the honourable gentleman explain this Bill?

Hon. Mr. GILLIS: The first section is to authorize the construction of railway lines in the Montreal district. Section 2 provides for an extension of the time in which the company may commence to construct lines, principally in Saskatchewan. If this Bill is referred to the Standing Committee on Railways, Telegraphs and Harbours, an official of the company will be present to give all the necessary explanations.

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

Hon. Mr. DANDURAND.

SECOND READING

Hon. Mr. COPP moved the second reading of Bill 21, an Act respecting the Montreal and Atlantic Railway Company.

Hon. Mr. DANDURAND: Will the honourable gentleman give us an explanation of this Bill? The name of the railway is familiar to me, for I have heard of it from time to time in the last forty or fifty years, although perhaps it is not so old as the Kettle Valley Railway.

Hon. Mr. GILLIS: It has a history.

Hon. Mr. COPP: Honourable senators, I moved the second reading of this Bill on behalf of the honourable member from Victoria (Hon. Mr. Tobin), and I am sorry that I am unable to furnish any information. Following the example of my honourable friend from Saskatchewan (Hon. Mr. Gillis), I suggest that the Bill be referred to the Committee on Railways, Telegraphs and Harbours, where detailed explanations could be given.

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

BANKRUPTCY BILL—PRIORITY OF CLAIMS

SECOND READING

Hon. Mr. BLACK moved the second reading of Bill 28, an Act to amend the Bankruptcy Act (Priority of Claims).

He said: Honourable senators, I shall give but a brief explanation of this Bill, and suggest that it be referred to one of our committees, where it may be examined in more detail. The amendment to the Bankruptcy Act is requested by the commercial travellers' associations of Canada, of which I am told there are five, comprising a membership of 40,000 or more. Briefly stated, the object of the Bill is to give protection to that class of commercial travellers who sell on commission. The need for the amendment may be illustrated by a hypothetical case. Suppose a traveller goes out from a wholesale house in May and takes orders for goods to be delivered in November. The terms of payment may be thirty, sixty or ninety days. Now, before the goods are delivered, the firm for which he is working on commission may go into bankruptcy, and as the Act stands at present, he would find himself out of court if he endeavoured to enforce payment for his services. The purpose of the amendment is to give more protection to commercial travellers who sell goods in cicumstances of that kind. I am not sure to which committee this Bill should be referred.

Hon. Mr. DANDURAND: Banking and Commerce.

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

JUDGES BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 40, an Act to amend the Judges Act.

Hon. Mr. DANDURAND: Will the honourable gentleman explain the Bill?

Hon. Mr. WILLOUGHBY: I intend to move that we go into committee now.

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

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Willoughby, the Senate went into committee on the Bill.

Hon. Mr. Beaubien in the Chair.

On section 1—annuity to judge appointed as Chief Commissioner or Assistant Chief Commissioner of Railway Board:

Hon. Mr. WILLOUGHBY: The proposed amendment is not strictly correct, from a grammatical point of view, and I suggest the substitution of the words "may have been" for the words "may be" in the second line of subsection 2.

Hon. Mr. DANDURAND: Before we consider that, will my honourable friend explain what the Bill means? The proposed new subsection reads:

(2) If any judge of a Superior Court of Canada or of any province of Canada is or may be, since the first day of January, 1931, appointed Chief Commissioner or Assistant Chief Commissioner of the Board of Railway Commissioners for Canada, and ceases to hold such office, His Majesty may, by letters patent under the Great Seal of Canada, grant to him an annuity equal to that, if any, which he would have received if he had continued in office as such judge, and had vacated the said office of judge on the date upon which he ceased to hold the said office of Chief Commissioner or Assistant Chief Commissioner.

Hon. Mr. WILLOUGHBY: That is all it means. I do not know that I can clarify it.

Hon. Mr. DANDURAND: As I understand the amendment, it provides that the number of years that the Chief Commissioner or Assistant Chief Commissioner serves on the Railway Board would count, for pension purposes, under the Judges Act, as if he had continued to serve as a judge; and that, further, he would be eligible for a pension only if he had been on the bench and on the Railway Board at least fifteen years in all, unless he had been retired on account of ill health.

Hon. Mr. WILLOUGHBY: It does not give him any additional rights. After having served on the Railway Commission he would be in exactly the same position as if he had remained on the bench, with every advantage—

Hon. Mr. BELCOURT: And the disadvantages as well.

Hon. Mr. WILLOUGHBY: Everything.

Hon. Mr. BELCOURT: Is my honourable friend suggesting a change in the wording of the amendment?

Hon. Mr. WILLOUGHBY: I am suggesting the substitution of "may have been" for "may be."

Hon. Mr. BELCOURT: Why "may have been"? I do not see why the word "may" is necessary. I suggest the words "or has been."

Hon. Mr. WILLOUGHBY: I am just passing on the suggestion that came from the Law Clerk's Office.

Hon. Mr. BELCOURT: The wording would be sensible if the words "or has been" were substituted. I do not think "may have been" covers the case at all.

Hon. Mr. MURPHY: How could there be any doubt as to whether a man may or may not have been appointed? It seems to me that my honourable friend from Ottawa (Hon. Mr. Belcourt) is right.

Hon. Mr. BELCOURT: If a man has not been appointed, then he does not come under the Act. Therefore, I repeat, we should use the words "or has been."

Hon. Mr. WILLOUGHBY: I do not see any objection to that. As I say, the change that I suggested was recommended by the Law Clerk's Office. I concur in the suggestion of the honourable gentleman from Ottawa (Hon. Mr. Belcourt).

Hon. Mr. LEMIEUX: What happens if a judge is appointed as an ordinary commissioner, but not to the office of Chief Commissioner or Assistant Chief Commissioner? Would this amendment apply to a case of that kind?

Hon. Mr. WILLOUGHBY: I think it applies only when a judge goes from the bench to the Commission.

Hon. Mr. LEMIEUX: This Bill refers only to the Chief Commissioner and the Assistant Chief Commissioner. Why does it not apply to an ordinary commissioner?

Hon. Mr. MURPHY: A judge would not take a commissioner's position.

Hon. Mr. DANDURAND: Do the Chief and Assistant Chief Commissioners receive a salary equal to that of a judge of the Supreme Court?

Hon. Mr. WILLOUGHBY: Yes, I think it is the same; $10,000, if I remember correctly.

Hon. Mr. DANDURAND: So the only object of this Bill is to give an ex-judge who becomes Chief Commissioner or Assistant Chief Commissioner of the Railway Board the same pension benefits that he would have had if he had continued on the bench?

Hon. Mr. WILLOUGHBY: Yes.

Section 1, as amended, was agreed to.

The title and the preamble were agreed to.

The Bill was reported as amended.

HOSPITAL SWEEPSTAKES BILL

NOTICE OF AMENDMENTS

Hon. N. A. BELCOURT: Honourable senators, the Chairman of the Standing Committee on Miscellaneous Private Bills (Hon. Mr. Béique) has asked me to place on record the amendments which he intends to suggest to the House when Bill E, an Act with respect to Hospital Sweepstakes, is again under consideration. These are the amendments which he suggests.

Section 2, line 11: Insert after the word "conduct" the words "within such province."

Section 4 to be deleted and a new Section 4 substituted therefor:

4. It shall be lawful within the province wherein the Attorney-General has authorized by certificate the conduct of a sweepstakes in accordance with this Act, for any person thereunto authorized in writing by the Committee:—

(a) to sell anywhere in such province tickets in such sweepstakes.

Honourable members will notice that the suggestion is to limit the operation of the Act to those provinces where the Attorney General has given his authority. That is a very distinct amendment to the Bill.

(b) to act as the agent of the Committee for the distribution of tickets, the receipt of moneys and the authorization of persons to sell tickets as aforesaid;

and by any such writing the Committee may specify the places and manner in which and the terms and conditions upon which the person named in the writing may sell tickets or act as the agent of the Committee as the case may be.

Hon. Mr. WILLOUGHBY.

Section 5, line 13: Insert after the word "accordance" the words "with the provisions of this Act and/or," and in the same line insert the word "/or" after the word "and."

I do not know exactly what that means.

It is suggested that two new sections, to be numbered 5 and 6, be added, and that the present sections 5 and 6 should be numbered 7 and 8, respectively. The proposed new sections read:

5. Tickets for a sweepstakes authorized to be conducted in accordance with the provisions of this Act shall not be sold in Canada by or through the mails except for delivery within the province wherein such sweepstakes has been so authorized.

That is quite consistent with the proposed new section 4.

6. Nothing in this Act shall prevent the sale outside of Canada by the Committee or its agents authorized in writing so to do, of tickets for sweepstakes as authorized to be conducted in accordance with the provisions of this Act.

The Senate adjourned until Tuesday, June 9, at 8 p.m.

THE SENATE

Tuesday, June 9, 1931.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. COPP, on behalf of the Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill E1, an Act for the relief of Mary Ann Ventura.

Bill F1, an Act for the relief of Beatrice Marie Dumaresq.

Bill G1, an Act for the relief of William Henry Rees.

Bill H1, an Act for the relief of Emily Hughes Macculloch.

FARM LAND BOARD

ORDER FOR RETURN

On the inquiry by Hon. Mr. McMeans:

1. What Provinces have adopted the Farm Land Board?
2. If the Board have issued any Bonds, and if so, for how much?
3. If the Board have sold any Bonds, and if so, at what rate, and how many?
4. What Provinces have paid to, or contributed to the Board any sums, and for what amounts?

5. In what Provinces have the Board loaned any money on farm land, and how much in each Province?

6. How much of the $5,000,000 contributed to the Board by the Dominion Government has been paid out, and in what Provinces?

7. What appointments, if any, have the Board made, and on what authority and on whose recommendation?

8. The expenses of the Farm Loan Board and the costs of management since its inception?

The inquiry was passed as an order for a return.

PACIFIC SETTLEMENT OF INTERNATIONAL DISPUTES

GENERAL ACT OF 1928—RESOLUTION OF APPROVAL

Hon. Mr. ROBERTSON moved the following resolution:

That it is expedient that Parliament do approve of the accession, in respect of Canada, to Chapters I, II, III, and IV of the General Act of 1928 for the Pacific Settlement of International Disputes, subject to the following conditions:—

1. That the following disputes are excluded from the procedure described in the General Act, including the procedure of conciliation:—

(i) Disputes arising prior to the accession, in respect of Canada, to the said General Act or relating to situations or facts prior to the said accession;

(ii) Disputes in regard to which the parties to the dispute have agreed or shall agree to have recourse to some other method of peaceful settlement;

(iii) Disputes between His Majesty's Government in Canada and the Government of any other Member of the League of Nations which is a member of the British Commonwealth of Nations, all of which disputes shall be settled in such manner as the parties have agreed or shall agree;

(iv) Disputes concerning questions which by international law are solely within the domestic jurisdiction of States; and

(v) Disputes with any party to the General Act who is not a Member of the League of Nations.

2. That His Majesty in respect of Canada reserves the right in relation to the disputes mentioned in Article 17 of the General Act to require that the procedure described in Chapter II of the said Act shall be suspended in respect of any dispute which has been submitted to and is under consideration by the Council of the League of Nations, provided that notice to suspend is given after the dispute has been submitted to the Council and is given within ten days of the notification of the initiation of the procedure, and provided also that such suspension shall be limited to a period of twelve months or such longer period as may be agreed by the parties to the dispute or determined by a decision of all the members of the Council other than the parties to the dispute.

3. (i) That, in the case of a dispute, not being a dispute mentioned in Article 17 of the General Act, which is brought before the Council of the League of Nations in accordance with the provisions of the Covenant, the procedure described in Chapter I of the General Act shall not be applied, and, if already commenced, shall be suspended, unless the Council determines that the said procedure shall be adopted.

(ii) That in the case of such a dispute the procedure described in Chapter III of the General Act shall not be applied unless the Council has failed to effect a settlement of the dispute within twelve months from the date on which it was first submitted to the Council, or, in a case where the procedure prescribed in Chapter I has been adopted without producing an agreement between the parties, within six months from the termination of the work of the Conciliation Commission. The Council may extend either of the above periods by a decision of all its members other than the parties to the dispute.

and that this House do approve of the same, subject to the same conditions.

He said: The reservations made are the same as those made by Great Britain in connection with the ratification of the General Act. The term "General Act" is perhaps a little misleading and may not be fully understood. The General Act of 1928 for the Pacific Settlement of International Disputes is really a consolidation of some four agreements made from time to time touching this subject. This Act consists of four chapters, the first dealing with conciliation, the second with judicial settlement, the third with arbitration, and the fourth containing general provisions, with which most honourable members are doubtless familiar.

Chapter I of the General Act refers to conciliation proceedings that have in a number of cases been agreed upon by certain nations. It is not the purpose of the General Act to supersede, or interfere with the operation of, those efforts towards conciliation. Under Chapter II certain disputes that may not be capable of adjustment by conciliation may be referred for adjustment by judicial settlement; and if that should fail there is provision under Chapter III for arbitration.

Chapter I, containing Articles 1 to 16, inclusive, provides for the reference of disputes to either a temporary or a permanent conciliation commission composed of five men, two to be chosen from the two disputant powers, one representative from each, and the other three members from other powers, of different nationalities. The commissioners are to be appointed for three years and to be eligible for re-appointment. The commission is to choose its own president from among its members.

Chapter II, concerning judicial settlements, contains Articles 17 to 20, inclusive, and provides that disputes between parties as to their respective rights shall be submitted for decision to the Permanent Court of International Justice unless the parties agree to arbitrate,

in which case they shall draw up a special agreement wherein are set out the subject of the dispute, the names of the arbitrators selected, and the procedure to be followed. The provisions of the Hague Convention of October 18, 1907, for the Pacific Settlement of International Disputes are to apply in the absence of sufficient particulars from the agreement.

Chapter III of the General Act refers to arbitration and contains Articles 21 to 28, inclusive. It provides that in the event of the conciliation commission provided for in Chapter I failing to effect a settlement, the dispute is to be brought before an arbitral tribunal of five members. Each party is to nominate one member, and the other two and the chairman are to be chosen by common agreement from among the nationals of other powers, and to be of different nationalities.

Chapter IV, Articles 29 to 47, inclusive, contains general provisions. It provides for the utilizing, if desired, of the conciliation machinery of the Council already set up and available, before recourse is had to the machinery of conciliation or arbitration set up under the General Act.

I do not know whether honourable members desire to discuss this General Act in detail. If so, some further information should be given with respect to its intent and the purposes it is expected to serve. It is regarded as being a step, indeed, a long step, in the direction of promoting permanent peace among the nations of the world. It has been approved by the League of Nations, and has been signed by the President of the Assembly of the League and by the Secretary-General.

All honourable members are familiar with the marked growth of international arbitration in the fifty years preceding the Great War. These years show a gradual development from recourse to arbitration in specific disputes, as they arose, to undertakings in advance to have recourse to arbitration in certain rather narrowly defined cases. In this development the English-speaking countries, particularly Great Britain, had a distinguished part. Notable among the pre-war achievements were the establishment of the Hague Tribunal—a panel of judges to whom recourse might be had if desired, the Bryan treaties of conciliation, and the establishment of our own International Joint Commission under the Boundary Waters Treaty of 1909.

Then came the War and the lessons it brought, and subsequently the setting up of the Covenant of the League of Nations. Nations which subscribed to that Covenant undertook, under Article 12, that if any dispute arose which was likely to lead to a rupture, they would submit it either to arbitration or to inquiry by the Council, and further that they would in any case not resort to war until three months after a finding had been given. As to arbitration, they agreed to adopt it in any dispute for which both parties recognized it as suitable, and to establish the Permanent Court of International Justice, to which recourse might be had in such cases. As to the process of inquiry by the Council, it was agreed that any dispute not referred to arbitration should be submitted to the Council, which would endeavour to effect a settlement and would in any case make report, which, however, had no binding force. These were great steps forward, but it should be noted that there was no definite obligation to arbitrate even disputes which might be considered justiciable, and that the right to the final arbitrament of war was retained.

Then in 1928 came the signing of the Briand-Kellogg Treaty, by which the high contracting parties solemnly renounced war as an instrument of national policy and agreed that the settlement of any disputes which might arise among them should never be sought except by pacific means. This agreement closed the gap in the Covenant which had permitted war, but it did not itself provide any additional pacific means of settlement.

The next advance was made by the wide acceptance of the so-called Optional Clause of the Statute of the Permanent Court of International Justice. When that court was established, the signatories, while indicating certain disputes, such as disputes regarding the interpretation of a treaty or concerning any question of international law, as being generally suitable for arbitration, did not undertake in advance to submit all or any of such disputes to the court. Provision was, however, made by which any state which desired it might by accepting an additional Optional Clause undertake in advance to accept the jurisdiction of the court in certain legal disputes in relation to any other country accepting the same obligation. Following discussion among the various members of the British Commonwealth, in which Canada took the initiative, the Optional Clause was signed on behalf of all the Commonwealth governments at Geneva on the 20th September, 1929,

and after approval by the appropriate authorities, acceptance of the Clause was ratified on the 28th July, 1930.

Simultaneously there was developing a movement for more comprehensive means of settling international disputes. A committee of the League of Nations drafted in 1928 a comprehensive multilateral treaty known as the General Act, which is now before us. This Act, as I have already mentioned, covers the three methods of conciliation, judicial determination and arbitration. Recourse may first be had to conciliation, either in justiciable or non-justiciable disputes, by either a temporary or a permanent commission of five men. The second part of the Act deals with judicial settlements. It provides for the submission of disputes to the Permanent Court of International Justice. This section covers much the same ground as the Optional Clause, the chief difference being that under this section a preliminary resort to conciliation is provided in case both parties so desire. The third section deals with non-justiciable disputes. If the conciliation commission provided for in the first section does not effect a settlement, such disputes are to be brought before an arbitral tribunal of five members.

At the Imperial Conference of 1930 the British Government indicated its desire to accede to the General Act with certain somewhat extensive reservations. The Governments of Canada. Australia and New Zealand intimated that they favoured acceptance on substantially the same terms, and that they proposed to recommend such action to their respective Parliaments. The Irish Free State expressed its intention to accept with fewer reservations, while the South African Government was not at that time prepared to arrive at a final decision without further study. The Parliament of the United Kingdom has recently approved accession by its Government, and a similar resolution has since been adopted by the Parliament of Australia. The British Government proposes to deposit its instrument of accession at the meeting of the Council of the League of Nations to be held this month.

The procedure adopted in this case differs from that which is usual in international agreements. Such agreements, as members of the House are aware, ordinarily pass through two stages. In the first place they are drawn up by plenipotentiaries of two or more countries interested, and the signatures of these plenipotentiaries constitute a provisional acceptance. The treaties, however, do not become binding until the second step, ratification, has been taken, following such approval by the proper constitutional authorities as the law or practice in each country provides. In the present case acceptance is indicated by a single action, namely, accession. The document before us was not drawn up by plenipotentiaries of different countries, but was drafted by a committee of the League of Nations. Article 43 provides that the General Act shall be open to accession by all the heads of states or other competent authorities of the members of the League of Nations, and of non-member states to which the Council has communicated a copy. The General Act remains binding upon all countries which accede to it for five years from the date of its coming into force, namely, 1929, and for five-year periods thereafter unless denunciation is effected before the expiration of each current period.

The resolution, of which notice has been given, declares that it is expedient that Parliament do approve of the accession in respect of Canada to the four chapters of the General Act, subject to certain conditions. These conditions are the same as those which have been adopted by the Parliament of the United Kingdom and the Parliament of Australia. They are substantially similar to the reservations agreed to by this House in connection with the Optional Clause. They provide for excluding from the scope of the Act disputes prior to accession or relating to facts prior to accession, disputes in regard to which the parties have agreed to some other method of settlement, disputes between the members of the British Commonwealth of Nations, disputes concerning domestic questions, and disputes with any party to the General Act who is not a member of the League of Nations.

Probably the only question that might arise is one regarding this last reservation as it applies to our friendly relations with the United States. So far as Canada is concerned, however, aside from the unlikelihood, for a time at least, of the United States becoming a party to the General Act, it must be remembered that we have under Article 10 of the Boundary Waters Treaty a provision whereby any dispute whatever between the United States and Canada, and not merely one regarding boundary waters, may be referred for decision to the International Joint Commission by the consent of the two parties.

Further conditions provide that, if so desired, the conciliation machinery of the Council may be utilized before recourse is had to the machinery of conciliation or arbitration set up under the General Act. It is felt that the Council, with wide experience in international matters, may very well succeed in

effecting a settlement, and if it does not do so within twelve months' time or such extension as may be agreed upon, the machinery of the General Act will come into play.

It would appear to me unnecessary to attempt to dilate more fully on this subject, although there are some further particulars available. Therefore I will say nothing more at the moment, as most honourable members may wish to speak upon it, especially my honourable friend opposite (Hon. Mr. Dandurand), who has had a good deal to do with the events that led up to the passing of this Act, or have occurred since. My right honourable friend the junior member for Ottawa (Right Hon. Sir Geo. E. Foster), as we all know, is an expert in international affairs.

Hon. R. DANDURAND: Honourable members of the Senate, I am sure that I voice the sentiment of every member of this Chamber when I declare that the Government's action in seeking approval of the General Act is most welcome to us all.

We have often heard, perhaps even in this Chamber, that the League of Nations did not seem to make any considerable headway in finding means of reassuring public opinion by establishing peace on a permanent basis. We have heard that the Geneva conferences seemed to accomplish very little, and to be merely marking time. I would point out to honourable members of the Senate that the institution as at present organized under the Treaty of Versailles is an absolutely new venture in international affairs; that the delegates of fifty nations assemble to discuss from every angle the questions submitted to them, and that if progress is slow it is not a matter of surprise when it is remembered that the rule of unanimity prevails. Against the advances that are suggested from year to year stand the old traditions, based on the principle of the sovereignty of each nation, and anything that seems to encroach on that sovereignty is naturally resented in some quarters.

The Covenant, which forms the first chapter of the Treaty of Versailles, did not outlaw war. The public mind in most nations was not ready to accept the principle that war should be abolished, and consequently there are in the Covenant gaps through which war may pass. The principle of compulsory arbitration was not enacted, because it went counter to the principle of sovereignty. Yet what strides have we not already made towards the attainment of the ideal that international disputes should be settled by pacific means!

It is needless to say that since 1920 the small nations—the secondary powers, as they are called—have been unanimously in favour of compulsory arbitration. It stands to reason that, not having might on their side, they desired justice. Hence they have been clamouring, though in vain, for the great powers to come down to a footing of equality with them at arbitral tribunals.

In 1924 we had for the first time a splendid lead from the great powers, Great Britain and France. Their governments of that day represented perhaps more closely than the preceding governments the popular will. For the first time a Labour Government was in office in London and a Socialist Government in France, under Mr. Herriot. So we had the happy circumstance of those two radical leaders of their respective countries joining hands and affirming the principle of compulsory arbitration. They would leave nothing behind. They wanted peace, and they wanted it based on compulsory arbitration. Amendments to the Covenant were made in order to fill those gaps which permitted the possibility of war. Those amendments were called the protocol of 1924, and involved the acceptance of compulsory arbitration in justiciable disputes as well as in political affairs.

But within a month the MacDonald Government met with a reverse and a Tory Government came in. Sir Austen Chamberlain, representing the Baldwin Government, took a very decided stand against the protocol; not merely against its form, but against the underlying principle, and not only in political matters, but also as applied to justiciable questions. Owing to Sir Austen Chamberlain's opposition the principle of compulsory arbitration went by the board. I need not say that this stand of the British Government virtually paralyzed the action of the League for five long years. Sir Austen Chamberlain proposed regional agreements, so that instead of being bound by the general obligation of arbitrament in all cases he might know with whom he was entering into an agreement. There was an impression that he wanted a free hand in certain regions, which were not disclosed at the time. When the United States offered the Paris Pact, by which every nation bound itself to abandon war as an instrument of national policy, Sir Austen Chamberlain stated that Great Britain, like the United States, had its Monroe Doctrine in certain regions where it would brook no interference, and at that time all the chancellories understood what those regions were.

Canada's stand in regard to compulsory arbitration had not been one of uncompromising hostility. Canada had rejected the protocol because, by reason of its form and

tenor, it seemed unworkable in case sanctions were asked from Canada against a country with which the United States would have amicable relations. At the same time, Canada's message of 1925 declared her willingness to consider adherence to the Optional Clause and the enlargement of the principles of arbitration generally. This difference in policy between Canada and Great Britain played an important part in 1927.

I have stated that for a number of years the negative policy of the British representatives created considerable depression in the minds of the other delegations. In 1927 the Netherlands delegation moved that the underlying principle of the protocol be examined again for the purpose of ascertaining whether a solution could not be found that would be satisfactory to all. Sir Austen Chamberlain took strong objection to the motion. Canada could not do so, because her expressed policy favoured the acceptance of the underlying principle of compulsory arbitration. She reaffirmed the principle contained in her message of 1925. The election to the Council took place under these circumstances, and the success of Canada was largely due to the fact that she had expressed sympathy for arbitration and for the Optional Clause. Canada's policy did not vary, and could not be influenced or altered by the changing moods of the British electorate, which in eight years had changed four times. Lord Robert Cecil commended Canada's attitude, and in an official message congratulated Canada upon standing for the Optional Clause.

The Kellogg-Briand Pact, referred to by my honourable friend (Hon. Mr. Robertson), and signed in 1928, provided for the renunciation of war as an instrument of national policy. To that Canada adhered without reservation, but it was recognized at the time—and I so stated when I moved for the adoption of the Kellogg Pact—that it would have to be supplemented. The Kellogg Pact has two articles which read as follows:

> Article 1. The High Contracting Parties solemnly declare in the names of their respective peoples that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another.
>
> Article 2. The High Contracting Parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means.

War as an instrument of national policy is renounced, and disputes are to be settled by pacific means. Nevertheless, parties to a dispute may not be able to agree or to reconcile their respective points of view. What will follow if there is no means of arbitration to settle their differences? Their grievances will remain. Is that a healthy situation, internationally speaking? Necessarily the body must be cleansed of any abscess. Hence this General Act, which is an agreement to submit to compulsory arbitration.

To this General Act Sir Austen Chamberlain has demurred, and in so doing he has cited the example of the United States. In his last speech on this subject in the House of Commons he said that although the United States were the authors of the Paris Pact, they had not felt the necessity of implementing that pact by arbitration. Well, we are all aware of the attitude of the United States in relation to international engagements. We know the average opinion of the masses in that country on this question. Naturally the leaders in the United States must act with circumspection. Nevertheless, the intellectuals of the United States know very well their shortcomings in this matter, and even Mr. Hoover has felt the necessity of speaking his mind to a degree, and in so doing has no doubt reflected the thoughts of what might be called the élite of the nation. On the 11th of November last he said:

> There has been much discussion as to the desirability of some further extension of the pact so as to effect a double purpose of assuring methodical development of this machinery of peaceful settlement and to insure at least the mobilisation of world opinion against those who fail when the strain comes. I do not say that some such further step may not some day come about.
>
> Such a formula would be stimulative and would appeal to the dramatic sense of the world as a mark in the progress of peace. But less dramatic, and possibly even more sure, is the day to day strengthening and buttressing of the pact by extension from one nation to another of treaties which in times of friction assure resort to the well-tried process of competent negotiation, of conciliation, and of arbitration.

From this it will be seen that Mr. Hoover admits the propriety of strengthening the Paris Pact by enlarging the principles of arbitration.

In speaking of what took place in Geneva and in London, I do so in order that the Senate and the country at large may know the various currents of opinion that existed in the British Empire. Sir Austen Chamberlain and the Tory Party, which he represented, were quite consistent all along the line from the day they assumed power in November, 1924. It is true that Sir Austen allowed the General Act to pass at Geneva in 1928, but it was not his intention to have it ratified. He opposed the adoption of the Optional Clause and of the General Act in the House of Com-

mons. Of course he was facing a new order of things. Great Britain had returned Ramsay MacDonald to power, and Great Britain's negative policy had been replaced by one of forward action, which was acclaimed by the League, and Great Britain then gave a leadership which the other nations followed. My right honourable friend (Right Hon. Sir George E. Foster) and I were at Geneva in 1929, and I may say that I never before saw in the Assembly such a buoyant spirit as I witnessed when Great Britain resumed its leadership.

I desire to say a word as to the reservations contained in the resolution presented by my honourable friend. He stated that these five reservations were contained in the resolution submitting approval of the Optional Clause. Only the first four are inscribed as reservations in the resolution on the Optional Clause. The first reservation, I confess, has always seemed to me somewhat obscure, and has never been explained satisfactorily.

> The following disputes are excluded from the procedure described in the General Act, including the procedure of conciliation:—
>
> (i) Disputes arising prior to the accession, in respect of Canada, to the said General Act or relating to situations or facts prior to the said accession.

It has been said in many quarters that disputes may arise from situations anterior to the signing of the General Act, and that many of them are quite apparent in Europe even to-day and threaten conflict. I believe the reservation was meant to cover the treaties and maintain the status quo. Moreover, it conforms to clause 39 of the General Act, which says:

> These reservations may be such as to exclude from the procedure described in the present Act:
>
> (a) Disputes arising out of facts prior to the accession either of the Party making the reservation or of any other Party with whom the said Party may have a dispute.

However, treaties which, because they are anterior to the signing of the General Act, do not fall under this arbitration instrument are meant to be revised only through and under clause 19 of the pact, which says:

> 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.

Even if we do not see eye to eye with the framers of the resolution, there is this consideration to be kept in mind, that all matters, past, present and future, are covered by the Paris Pact, and that the nations that have signed that pact have bound themselves not to make use of war as an instrument of national policy.

The third reservation relates to disputes between His Majesty's Government in Canada and any other member of the League of Nations which is a member of the British Commonwealth of Nations, all of which disputes shall be settled in such manner as the parties have agreed or shall agree. In the session of 1929 there was considerable effort on the part of the representatives of Great Britain and of the British Dominions to reach an agreement which would dispense with this reservation, but the Irish Free State was obdurate and claimed the right to submit any constitutional difficulty, or any difficulty in the interpretation of the treaty upon which its constitution is based, to the international tribunal. To meet this objection I suggested that an arbitration tribunal should be organized by the various members of the Commonwealth, to which could be submitted any differences that might arise between the members of the Commonwealth, and that that tribunal should be substituted for the Privy Council, which was deemed unacceptable in such matters. This proposal was discussed for some time, but there was difficulty in reaching a conclusion as to the form that the tribunal should take, and the Irish Free State instructed its delegates to sign without reservations. In reading the speech of the Right Hon. the Prime Minister I was happy to find that he expressed the same view that I expressed in favour of the constitution of an Imperial tribunal to deal with any difficulties that might arise between the members of the Commonwealth.

I confess that I cannot understand paragraph (v) of clause 1 of the resolution, which excludes—

> (v) Disputes with any party to the General Act who is not a Member of the League of Nations.

Only two great countries are non-members of the League, the United States and Russia. Now, why should we exclude countries that are outside the League? They are invited to accede to this General Act by Article 43 of the Act, which reads:

> 1. The present General Act shall be open to accession by all the Heads of States or other competent authorities of the Members of the League of Nations and the non-Member States to which the Council of the League of Nations has communicated a copy for this purpose.

This exclusion certainly is not meant to apply to the United States, for there is no indication at the present time that that country intends to sign the General Act, although no one can affirm it will never do so. Canada

certainly would not exclude the United States from the operations of the General Act. Our general disposition is to arbitrate all disputes that may arise between us. Does the paragraph refer to Russia? If it were to join the League, every other member nation would be obliged to arbitrate any differences that might arise between itself and Russia. Why go out of our way to single out that country? Or is the reference to Egypt? This reservation is suggested by Great Britain and Australia. Canada has acceded, but no explanation has been given as to why Canada has done so, nor why there should be this objection to non-member nations. So far as Egypt is concerned, Canada has no interest there except the maintenance of peace. This country has been uniformly in favour of arbitration. We signed the Paris Pact, in common with Great Britain and Australia, and we are all bound to settle disputes without exception by peaceful means. Public opinion in Great Britain likewise is solidly behind compulsory arbitration of all disputes with any country. In this connection we have the official statements of the Labour Government and of the Liberal Party.

But this unexplained reservation will not stand in the way of my approval of the resolution. Our accession to the Act will remain effective for only three years, and then it may be reconsidered. The all-important policy of international co-operation is developing more rapidly than could have been foreseen or hoped for, and lovers of peace everywhere are deeply grateful.

Right Hon. Sir GEORGE E. FOSTER: Honourable senators, when I came into this Chamber to-night I had no intention of taking part in any discussion on this resolution. Honourable members on both sides of the House have had access to all the sources of information, and I do not wish to intimate that they have not fully availed themselves thereof. I am not going to apologize for what the League of Nations has not been able to accomplish, nor shall I enter into any exposition of the great forward steps that the League has taken. I do think, however, that the honourable leader on the other side (Hon. Mr. Dandurand) has omitted one or two observations which would have to some extent qualified his apparent strictures upon the actions of the Government of Great Britain in power from time to time.

Hon. Mr. DANDURAND: A statement of fact only.

Right Hon. Sir GEORGE E. FOSTER: I desire simply to make a few observations with respect to two particular points. First I would refer to the position assumed by the then British Government in relation to the protocol of 1924. The League had a membership of 55 nations, each equal in representation on the floor of the Assembly, but all differing widely in traditions, in responsibilities and in other respects. Therefore it was not to be expected that they would be unanimous on the important questions brought up for consideration. For instance, a small country such as Liberia, or Cuba, might not always see eye to eye with the great powers. The position of Great Britain was quite different from that of a smaller nation, with regard to the protocol and the obligations which it involved. Great Britain had, for example, a heavy responsibility in relation to the possible necessity of enforcing obligations imposed by the Covenant. She had to look at the thing in a practical way and to consider the situation that probably would arise when effect had to be given to the sanctions. If the United States of America had been a member of the League and had worked in unison with such countries as France and Great Britain, for instance, and had assumed obligations such as those conutries assumed, I believe the British would never have raised the question of the protocol. What was the situation? Great Britain realized that if peaceful methods failed to settle a dispute with a nation that had violated its obligations, the question of the enforcement of the sanctions would then arise, and that the ultimate means for their full enforcement was essentially the naval blockade of the ports of the offending nation, with the consequent cutting off of all commercial operations between those ports and the rest of the world.

I have alluded on previous occasions to the situation which arose during the Great War before the United States took an active part therein. Honourable members on both sides who have followed the diplomatic correspondence that took place and are aware of the sensitive relations that existed know to what I refer. Time and again, while the United States was neutral, its commercial interests clashed with the policies of the Allies, and the resulting friction was expressed in exchanges that became almost ultimatums from the United States to Allied world powers. Now, the British Government, in considering the protocol, knew that as it possessed the most powerful fleet of any nation belonging to the League, its fleet would have to take the leading part should it become necessary to blockade the ports of an offending nation. Since it was not known what stand would be taken by the United States in the event of

such blockade becoming necessary, the British Government thought it unwise to undertake the responsibility involved in the protocol. Whether the British Government at that time was opposed to the principles of the protocol from an idealistic standpoint does not enter into the question. As to the necessity of taking every possible and practical action for insuring peace and preserving the authority of the sanctions, Great Britain was then and has always been in perfect accord with the Covenant of the League. As my honourable friend has stated, regional engagements were successfully accomplished in the Locarno pacts, which effectively dealt with the eastern and western boundary questions.

My honourable friend has dealt fairly with the principles of the Paris Peace Pact, and has pointed out that virtually all nations have agreed to those principles. Although there is no organized agency by which the practical sanctions involved in that pact can be carried out, there is a mighty influence in the very agreement outlawing, renouncing and denouncing war as a means for settling any dispute among the signatory nations. This is followed by a declaration that pacific means only shall be used for the settlement of all disputes, and this is in itself a strongly influential force. Any nation which is a party to the pact will violate its pledge if it does not employ every possible peaceful method, and only peaceful methods, in the settlement of a dispute.

When the trouble with reference to the Manchurian Railway occurred between Soviet Russia and China, and when opposing forces of those two powers were close to actual combat upon the border, the United States of America, as one of the chief promoters of that great pact of peace amongst the nations of the world, called the attention of both Russia and China to the fact that they were parties to that treaty, the violation of which appeared imminent. That was followed by action on the part of other great powers who also were parties to the pact. What happened? A very tart and very pert reply was received from the Soviet Government—such was not the case with the Chinese Government—but even though the question was not entirely settled, actual hostilities were avoided, and the situation has remained quiescent up to the present time. I believe that in every such case an equal impetus towards peace could be given, and I believe that in future it would be even more amicably accepted.

The way to peace is a long one. For six thousand years the recognized, trodden paths have been the paths of war. The habits—mental, social and national—which arise from a long period of custom are strong, and can be changed only through patience, persistence, and courageous effort. The progress of humanity during the past ten years towards a better and more reasonable method of settling international disputes has been a marvel to me, and if the outcome has not been all that we could have desired, let us remember that a change of this magnitude takes time. Let us remember also, even though it may take a long time, that the happiness and prosperity of humanity are involved in the ultimate outcome, and that therefore we should in every possible way give our support and strength to those two great instruments for peace, the League of Nations and the Paris Pact.

The motion was agreed to.

LIQUOR SMUGGLING FROM ST. PIERRE AND MIQUELON

PROPOSED INVESTIGATION

Before the Orders of the Day:

Hon. J. J. HUGHES: Honourable senators, some two weeks ago I called the attention of the House and of the Government to a despatch in the Montreal Gazette of that day stating that the Government had instituted a committee to investigate the alleged smuggling of large quantities of spirituous liquors from the islands of St. Pierre and Miquelon to the lower St. Lawrence and other points in the Province of Quebec. I suggested that the scope of the inquiry be extended to include the Maritime Provinces, because it is a matter of common knowledge there that very large quantities of liquor are smuggled from those islands into that part of Canada. The Minister of Labour (Hon. Mr. Robertson) stated that he was rather doubtful whether such an investigation was intended. I think he said that no Order in Council to that effect had passed, but that he would inquire and would give us the information later.

Now I notice that the Montreal Gazette of the 30th of May has a despatch from the city of Quebec, which is very definite. It states that the committee has been appointed, that counsel to conduct the investigation have been appointed, and that the inquiry will take place between the 8th and the 15th of this month. I would therefore ask the Minister whether he has any information that he can give the House to-night.

Hon. G. D. ROBERTSON: My honourable friend states truly that he called attention to the matter referred to at the last sitting

of this House. Inquiry has been made, but I have been unable to find any record of the Order in Council referred to. The public press may have quoted something that I have not seen or have not been able to find, but I have no knowledge that the investigation is proceeding as my honourable friend believes. I have made inquiries of Ministers who I thought would have knowledge of the matter, but I have not been able to get any definite information. The information has been asked for, and when it is received it will be given to the House. I am not able to tell my honourable friend just what the situation is to-day.

SOLDIER SETTLEMENT BILL

FIRST READING

Bill 41, an Act to amend the Soldier Settlement Act.—Hon. Mr. Willoughby.

PRISONS AND REFORMATORIES BILL

FIRST READING

Bill 72, an Act to amend the Prisons and Reformatories Act.—Hon. Mr. Willoughby.

BANKRUPTCY BILL

FIRST READING

Bill 73, an Act to amend the Bankruptcy Act.—Hon. Mr. Willoughby.

APPROPRIATION BILL NO. 3

FIRST READING

Bill 81, an Act for granting to his Majesty certain sums of money for the public service of the financial year ending the 31st March, 1932.—Hon. Mr. Willoughby.

SECOND READING

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

He said: Honourable members, with the leave of the House, I move that this Bill be now read a second time. I believe copies of the Bill have been distributed to all the members. It provides for the usual interim supply for one month. Honourable gentlemen on the other side will have the right to reserve their objections, even though they consent to the Bill passing to-night.

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

THIRD READING

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

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

JUDGES BILL

THIRD READING

Hon. Mr. WILLOUGHBY moved the third reading of Bill 40, an Act to amend the Judges Act.

He said: Honourable senators will remember that on the second reading we corrected a clerical error in this Bill.

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

GOVERNMENT ANNUITIES BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Robertson, the Senate went into committee on Bill D1, an Act to amend the Government Annuities Act.

Hon. Mr. Beaubien in the Chair.

On section 1—limitation as to persons and amount:

Hon. J. LEWIS: Honourable senators, I think when this Bill was given the second reading it was understood that we reserved the right to oppose the principle of it. I do not know whether this is the proper stage, but I should like to go upon record as opposed to the principle of the Bill. I thoroughly agree with the observations that were made by the honourable gentleman from Rougemont (Hon. Mr. Lemieux), that the Annuities Act is an admirable means of promoting thrift, and I am decidedly opposed to restricting its operations in any way. I do not think that a sufficient reason was advanced for so drastic a change as a reduction in the maximum annuity from $5,000 to $1,200. The honourable the Minister of Labour said that there was a possibility of abuse by a person investing a large sum in an annuity for the purpose of defrauding his creditors, but he did not say that there had been any actual case of abuse of that kind. I repeat that I am opposed to the principle of the Bill, and I should like to have the opinion of the House tested upon it.

Hon. N. A. BELCOURT: The honourable the Minister of Labour will remember that when we were previously discussing this Bill I asked for certain information. Among other things, I enquired whether he could give us figures to show the economic result of the operation of the Annuities Act up to the present time. What I wish to know is whether the scheme has been self-sustaining or whether it has entailed the expenditure of public money.

Hon. G. D. ROBERTSON: With the leave of the House, I would ask the Superintendent of Annuities to take a chair on the floor.

Efforts have been made to obtain the information requested by my honourable friend from Ottawa (Hon. Mr. Belcourt), and I am able to tell him that the annuities plan has not been wholly self-supporting. The intention was that it should operate on the basis of a four per cent return, but it has not been possible to realize fully that ambition. I have a statement, compiled by the Department, showing the amount which has been added to the fund from 1914 to 1931, and this shows that the average cost of carrying the Annuities Act of 1908 has been 4·51 per cent; so it is clear that the fund has not been wholly self-sustaining on a 4 per cent compound interest basis. Several reasons for the fact may be mentioned, the chief reason being that the annuitants themselves have, on the average, slightly exceeded the normal span of life, on which the cost of the annuities was based. It was intended originally that the annuities should be self-sustaining and that the cost of administration should be borne by the Government. In recent years, in common with the cost of nearly everything else, the cost of the operation of this Act has risen. It is believed that if the maximum annuity were reduced from $5,000 to $1,200 the scheme would probably carry itself without an increase in premiums. The departmental officers who have considered this matter are experienced men, and they have recommended the reduction in the maximum amount of annuity only after very careful thought.

I should like to correct one remark which I made in connection with this matter at a previous sitting. I stated that the original maximum for annuities was $600, and that this was subsequently raised to $1,200 and later to $5,000. My statement was made from memory, and I find that the increase was from $600 to $1,000, and from $1,000 to $5,000 in 1920, I think.

It has been asked, What is the reason for reducing the maximum? The fact is that in the last ten years 95·6 per cent of all the annuities written have been for less than $1,200, and only 4·4 per cent for more than that amount. As I have already stated, the purpose of the Act, which was introduced by Sir Richard Cartwright in 1907 and finally passed in 1908, was to encourage thrift among people of small means and to enable them to make provision for their declining years. It was not expected, nor has experience proven, that a poor man could purchase an annuity for more than $1,200; and inasmuch as the average of the annuities written last year amounted to only about $444, I think honourable members will agree that it would be a good thing to reduce the maximum annuity obtainable to $1,200, particularly if thereby the Government would effect a saving in expenses. The reduction would not be unfair to commercial companies, and would be fair to the class of citizens for whom the Annuities Act was originally intended. I submit that the experience gained from years of operation of the Act should have some weight in the consideration of the proposed amendment.

Right Hon. Sir GEORGE E. FOSTER: What are the elements of the increase in expenses, to which reference has been made?

Hon. J. J. HUGHES: I have a similar question. Will the Minister state how the reduction in the maximum would lessen the operating expenses?

Hon. Mr. ROBERTSON: The principal increase in the cost of operation has come about during the years since the maximum was raised from $1,000 to $5,000. When the Act was first passed, postmasters were the medium through which most annuities were sold. The number of sales was not large, because postmasters in large centres, who are paid a salary and not a commission, naturally did not exert themselves to sell annuities. But after the maximum was raised to $5,000, if it was thought that a man could be induced to buy a large annuity he was regarded as, in insurance language, a good prospect, for the commission was quite substantial. That increased the operating costs.

Hon. Mr. HUGHES: Would the commission not be in accordance with the amount of the annuity?

Hon. Mr. ROBERTSON: Not necessarily. The rate of commission varied according to the size of the annuity purchased. The person who solicited the business might sell a large annuity with little effort and thereby make a comparatively big commission.

My right honourable friend from Ottawa (Right Hon. Sir George E. Foster) stated when we were previously discussing this matter that there had been a heavy expense in advertising annuities, and in reply I expressed the opinion that he had been misled, owing to the fact that in recent years the advertising costs were not always paid out of each year's appropriation and some amounts had been carried forward. The information at hand indicates that there has been considerable increase in the cost of advertising during the last five years, when the volume of business

was rapidly increasing. Whereas, say, five years ago advertising expenses were $8,500, last year they had grown to more than three times that amount. But since January last the advertising of annuities has been wholly abandoned. Higher commissions paid on the larger annuities have resulted in an increase in expenses. It is felt that it would be to the advantage of the Government and of that class of citizens for whose benefit the Act was originally designed, to reduce the maximum annuity to $1,200 and put the scheme on a self-sustaining basis.

Right Hon. Sir GEORGE E. FOSTER: What is the rate of commission?

Hon. Mr. ROBERTSON: The rate of commission varies. On annuities for small amounts I think it is one per cent of the amount paid, and if the payments are to run over more than one year the commission is larger. For example, if it is two years the commission is two per cent, payable in instalments, some of them quarterly and some of them half-yearly, as the case may be. Instructions have been issued for some time now that commission will not be paid to an agent on an annuity of over $1,200. That action was deemed to be justified from an administrative standpoint, and now it is desired that the Act itself should be brought into harmony. If in the future the Act becomes more than self-sustaining, perhaps there would not be any great objection to again increasing the maximum amount, but if that is done the annuities will be subject to the criticism that was made last year by insurance companies. I can give honourable members information that may be useful, in connection with the comparative costs of annuities purchased from the Government and those from insurance companies.

Hon. Mr. DANDURAND: What is the difference in rates?

Hon. Mr. ROBERTSON: A man forty years of age, for example, would pay $1,548 for a Canadian Government annuity of $100. The lowest cost that we have on record for a similar annuity issued by an insurance company is $1,567, which is only a slight increase over the Government figure. If the annuitant were a lady, the cost of a Government annuity would be $1,595; with an insurance company the annuity would cost $1,652.

Hon. Mr. DANDURAND: Would the honourable gentleman give the first figures he cited?

Hon. Mr. ROBERTSON: The cost is $1,548 as against $1,567. That is for a man forty years of age. For a lady of the same age the variation in cost would be greater. Now if we take a person further along in life—

Hon. Mr. RANKIN: Take the age of twenty-five years.

Hon. Mr. ROBERTSON: I have nothing under forty years. At sixty years of age a man would pay $1,003 for an annuity of $100. The expectancy of life would be slightly more than ten years at that time. With an insurance company the annuity would cost him $1,050. For a lady, the premium on the Government annuity would be $1,119; if it were with an insurance company it would be $1,199. At age seventy a man would pay for a Government annuity $701 for $100 a year, as against $752 to an insurance company. The anticipated span of life would be shorter. For a lady of this age the cost would be $788 as against $879. At seventy-five years of age the proportions would be relatively the same.

The annuities granted for the year 1930-31, for example, totalled 1,772, of which 1,694 were for less than $1,200. Of the total number 83·6 per cent were for less than $600; ·03 per cent exceeded $2,500, and ·09 per cent exceeded $2,000. It is apparent to the Department and to the Government, who have had the matter reviewed by the Superintendent of Insurance, that the suggestion contained in this Bill is sound from a business standpoint, and that it will not debar any man of moderate means from the enjoyment of the benefits of the legislation. That being true, the Government feels that it is amply justified in asking Parliament to approve of the suggested reduction from $5,000 to $1,200.

Right Hon. Sir GEORGE E. FOSTER: As to agents who receive a commission, will anyone who brings forward an annuitant with the necessary payment receive the commission?

Hon. Mr. ROBERTSON: I think not. I think that every postmaster who is working on commission may sell annuities, and if he is in a commission office he will receive the scheduled rate. The Government cannot permit the public to solicit annuities any more than the insurance companies can. It has its representatives, commonly called agents. Naturally they are to be found in the larger centres. When they get a prospect, or when someone makes an inquiry of the Superintendent of Annuities at Ottawa for information on the subject, literature is furnished, and if there is an agent within reasonable distance of the locality where the prospect resides, he is very apt to call and discuss the matter and give complete information. That is one of the reasons why the business has grown

in volume during recent years. The profits have not grown, because the cost of administration has increased somewhat. Therefore it is proposed that we should not encourage the man who might buy a big annuity, but should give the poor man a better chance than he has enjoyed heretofore of getting an annuity that is ample for his requirements, and probably all that he can afford to purchase.

Hon. Mr. HORSEY: Are the annuity rates of all the insurance companies the same?

Hon. Mr. ROBERTSON: The rates of the insurance companies doing an annuity business are, I believe, virtually the same.

Hon. R. DANDURAND: Honourable members of the Senate, the last time this Bill came before us for discussion, before it was distributed, I expressed on the spur of the moment a tentative opinion as to the proposal submitted to us. The press generally stated that I was unfavourable to the Bill, but, as indicated by the Report of the Debates, the contrary was the case.

I may say that I am particularly concerned about the federal treasury. The annuities system is practically in its infancy. Spasmodic efforts have been made to develop it by the appointment of agents here and there, but it is only by seeing the results in the long run that we may know what we are undertaking. We must not forget that the Act in the first place was intended to provide frugal persons in the humbler walks of life with a safe method of investment for their savings. I am disposed to think that we should be willing to assume a certain burden in order to assist that class of people, but I am not prepared to admit that we should shoulder a financial responsibility to assist people who can afford to purchase annuities at regular commercial rates. In establishing the system to encourage the humbler classes to purchase annuities we were not thinking of old age pensions. A low rate was fixed, on the assumption that the cost of administration would be met out of revenue. Why should the citizens of this country carry the load of a man who desires and is able to buy a $5,000 annuity? It takes considerable capital to ensure the payment of an annuity of that size, and it is very seldom that a man in the humble situation that I have mentioned can pay for a $1,200 annuity.

It must not be forgotten that the Government pays the whole cost of the administration, and that the existing rates are apparently too low to make the fund self-supporting. An annuity fund may carry a certain number of larger annuities when reserves are accumulated regularly to enable it to meet such liabilities. Rates undoubtedly play an important part, and in my opinion, if they are not high enough to meet the cost of operation, the public treasury should not be called upon for the payment of annuities for the well-to-do classes. I confess that in this matter I am in the hands of the experts of the Department. I have only my own business intelligence and my common sense to guide me. If we are to assume a burden, let it be the burden of the humble people, not the burden of those who are in a position to pay for annuities at the regular commercial rates. I am speaking only for myself. This is a matter which interests us all, and the views of other members would be most enlightening.

Hon. Mr. ROBERTSON: There is one further brief observation that I might make touching the original purpose of the Act. Those who remember Sir Richard Cartwright will recall that he gave a great deal of time and thought to this question, and that in 1907, when he was Minister of Trade and Commerce, he introduced it in this House by way of a resolution. In 1908, as I remember, the Act was adopted on a basis calculated to make the system self-sustaining. It happened that in later years, particularly during the War, the rates of interest paid by the Government rose from the level of 1908 and thus to some extent the cost of administration was increased. I should like to refer briefly to what was said when the legislation was introduced. I think the real object of the legislation is clearly explained in the preamble to the original Act, which reads as follows:

> Whereas it is in the public interest that habits of thrift be promoted and that the people of Canada be encouraged and aided thereto so that provision may be made for old age; and whereas it is expedient that further facilities be afforded for the attainment of the said objects: therefore His Majesty by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

From this it would appear that those who were intended to benefit were not that class of persons who could afford to purchase an annuity of more than $1,200 a year. The experience of the years from 1914 to the present time indicates that the average cost to the Government of carrying the burden is a little over five per cent, and, as has been pointed out by my honourable friend (Hon. Mr. Dandurand), it would seem that a person who is able to buy a large annuity, for which

he would pay $60,000 or upwards, should not need the assistance of the State, and that the State should not have to bear that load. Such a person should be able to purchase an annuity in the commercial field.

Hon. Mr. ROBINSON: I should like to understand what is meant by a cost of five per cent. Five per cent of what? I also fail to understand how the increased cost of money to the Government would make the burden heavier. I should think it would make it lighter. I understand that the Government is allowing only a certain fixed rate of interest on the money paid in. If it is allowing four per cent, and is borrowing money at five and a half per cent, it is saving money instead of losing it.

Hon. Mr. ROBERTSON: I do not quite follow my honourable friend when he says that if the Government pays four per cent, excluding the cost of administration of annuities, and is borrowing money at five and a half per cent, it is making money.

Hon. Mr. ROBINSON: You are not paying out money to the people; you are taking it in from them. Instead of borrowing money by way of loans throughout the country you are getting it from the annuitants.

Hon. Mr. ROBERTSON: My honourable friend perhaps overlooks the fact that every dollar received is a liability of the Federal Government, for which it agrees to pay the annuitant four per cent; and in addition to that four per cent the Government has also to carry the cost of administration. But if the Government has to step out and pay five per cent, or five and a half per cent, on the money it borrows—

Hon. Mr. ROBINSON: It borrows from these people at four and a half per cent.

Hon. Mr. ROBERTSON: No, it does not. Rates are rapidly coming down. The recent Conversion Loan has brought the rate down to four and a half per cent. All the moneys that have come into the annuities fund since its inception have cost the Government a little over 4.51 per cent. Therefore the time has come when the fund is not quite self-sustaining.

Hon. Mr. ROBINSON: It is 4.51 per cent of what?

Hon. Mr. ROBERTSON: Of the money invested in annuities.

Hon. Mr. BELCOURT: Can my honourable friend give us the exact proportion of the expenditure on administration? Has he that figure by itself?

Hon. Mr. ROBERTSON: Yes, for a number of years.

Hon. Mr. ROBINSON: If you are borrowing money from these people at 4.51 per cent that is cheaper than borrowing it from the public at five per cent or five and a half per cent.

Hon. Mr. ROBERTSON: It would be if there were nothing to meet but the interest; but if you are paying a substantial commission for securing the business you are in the same position as an insurance company. That is why their premiums must necessarily be higher. The Government cannot bear that cost, and feels that it is not necessary under existing circumstances.

Now, in answer to the honourable gentleman from Ottawa (Hon. Mr. Belcourt) I may say that the cost of administration is not altogether a penny postage proposition. In 1930-31 it amounted to 3·9 per cent of the receipts. The receipts for last year were a little over $3,500,000, and the total administration cost was $141,355. The Government does not feel that it should be called upon to pay moneys out of pocket for the purpose of carrying on an annuity scheme that supplies to the poor man—for originally it was not intended to help any others—anything in excess of $1,200 a year, or $100 a month. That income is regarded as being within the reach of many men in the more humble walks of life; but any man who wants an annuity of $5,000 a year—

Hon. Mr. RANKIN: Why penalize a man?

Hon. Mr. ROBERTSON: —might very well do business in the commercial field, in which the Government ought not to compete.

Hon. R. LEMIEUX: There are many other services administered by the Government that could be as well administered by private companies. Take the Post Office Department, for instance. This year there is a huge deficit. In the old days postmasters were given the privilege of rendering the postal service: now the postal service has been taken hold of by the Government. Because there is a deficit one year the Government does not think the Department should be abolished.

Hon. Mr. ROBERTSON: May I interrupt my honourable friend to say that there is no thought of abolishing annuities.

Hon. Mr. LEMIEUX: No, but you are dealing the first blow at the annuities system. I say with all due respect to the honourable gentleman that I am sorry the Bill is in his hands. I do not like to see the Minister of

Labour promoting this legislation before this Chamber. I am aware of his sympathy for the poorer classes. He said that the original intention of the Act was to benefit the people of small means. Now, will my honourable friend tell me whether the purchasing power of the dollar in those days was the same as it is to-day? He knows it was not the same. And will he not agree with me that if we make it impossible for anyone to obtain a Government annuity for more than $1,200 we shall be doing an injury to those workers who to-day, because of their higher wages, can afford to buy larger annuities? Only the other day, in the Railway Committee of the other House, Sir Henry Thornton stated that there are railway conductors who have salaries as large as that of a judge of the Superior Court. That was not the case in 1907.

Hon. Mr. ROBERTSON: It is not the case now, either.

Hon. Mr. LEMIEUX: Well, under the McAdoo Award it is not far from being the case. Now, why strike a blow at the annuities system? The honourable gentleman knows what regard I have for his ability and his sincerity, but I must say, with all deference to him, that he has not convinced me that the cost of operation is the impelling motive behind this measure. I really believe—I may be wrong—that the big insurance companies do not want to see the Government selling annuities, because it is done in competition with their business. But, honourable senators, this is a legitimate business for the Government. Does my honourable friend not realize that the plain people of to-day, not only in Canada but in Great Britain, the United States, France and every other democratic country, like to rely on the solid credit of the nation?

Hon. Mr. ROSS: Hear, hear.

Hon. Mr. LEMIEUX: I believe, as I said a moment ago, in my honourable friend's sincerity; but he has not convinced me that the high cost of operation of the Act is the reason for bringing down this measure. I do not believe that there are ten Government employees keeping the books and looking after the annuitants. I think the number of employees is kept at the lowest possible minimum, as it was when I was Postmaster General and responsible for the administration of the Act. Then we had, I think, only one employee working on the annuities system. We had very few agents; I think, only one in Quebec, one in Montreal, and one in every other large centre; and later on the work was spread among the postmasters throughout the country, but that did not add to the costs of administration.

Let me remind my honourable friend that if this Bill is passed, as it probably will be, under the pressure of the big insurance companies, soon there will be pressure exerted by the banks with a view to the elimination of the postal savings offices. Now, I have something to do with banks and insurance, and I know that one of the grievances of the big bankers is that the Government is doing a business which comes within the powers of the chartered banks. As I have said, the present tendency in democratic countries is to enable the poorer classes to rely more upon the Government for the security and wise administration of their savings.

I had something else to say, but I forget it now.

Some Hon. SENATORS: Forget it.

Hon. Mr. LEMIEUX: I will forget it. I repeat that I am opposed to this Bill. I think that the honourable Minister has not convinced this House that the amendment to the Act was necessary, especially from the point of view of administrative costs.

Hon. F. L. BEIQUE: Honourable senators, I intend to vote in favour of the Bill. I think that if the maximum of $5,000 is retained it will be the means of enabling a person to put a capital of as much as $100,000 out of the reach of his creditors. I believe that such a situation should not exist, and that consideration will be the principal one in determining the way I shall vote.

Hon. Mr. RANKIN: A person could do that with an insurance company also.

Hon. Mr. BEIQUE: But the money would not be exempt from seizure then.

Hon. J. MURDOCK: I want to extend my congratulations to the honourable the Minister of Labour for bringing down a measure of this kind, which in my judgment is in the interest of 92 per cent of the people of Canada. My honourable friend from Rougemont (Hon. Mr. Lemieux) spoke of railway conductors having as large an income as that of a Superior Court judge. That is the greatest exaggeration I have heard in many years. As a matter of fact, no railway conductor gets anything like half of the salary of a Superior Court judge—

Hon. Mr. ROSS: Oh, yes.

Hon. Mr. HARDY: Some conductors get more than a judge.

Hon. Mr. MURDOCK: —unless in certain cases the railway company, for the purpose of evading the full cost of two conductors,

chooses to permit one conductor to work what is practically time and a half. In that case, a conductor may make something near $4,500 or $5,000 a year.

Hon. Mr. HARDY: Seven thousand.

Hon. Mr. MURDOCK: I want to see the figures.

Hon. Mr. HARDY: I can get them.

Hon. Mr. MURDOCK: But the railway conductor has to work—

Hon. Mr. LAIRD: May I interrupt the honourable gentleman for a moment?

Hon. Mr. MURDOCK: Certainly.

Hon. Mr. LAIRD: I think my honourable friend from Rougemont (Hon. Mr. Lemieux) got a wrong impression of the statement made by Sir Henry Thornton. I heard the statement, and it was to the effect that there were railway conductors who received as much in wages as members of Parliament received by way of indemnity. At the same time he suggested that members of Parliament should form a union and then raise their own pay. There was nothing said, so far as I remember, about the salary of a Superior Court judge.

Hon. Mr. MURDOCK: I belong to one of the unions, and have just been elected to office for another three years. I know something about this matter. The men do get substantially good wages, but I remember the time when they did not. I repeat that it is a gross exaggeration to state that railway conductors make anything like the amount that was suggested a few moments ago. It is only in cases where it is cheaper to let one conductor work extra miles or longer hours than it is to pay two conductors, that a conductor makes higher wages than are usually paid. But all this is aside from the question here. Who are the average citizens of Canada, for whom the Annuities Act was passed? Are they the people who can afford to pay $65,000 for a guaranteed annual income of $5,000? Of course they are not. I think I know a little about annuities, because they were transferred from the Post Office Department to the Labour Department a few years ago, and I have some knowledge of the cost of operation. When I was Minister of Labour there were thirteen employees connected with the operation of this Act. I am not aware whether that number has increased or decreased since then, but I can say that the overhead is substantial. In the Annuities Act the Government has done much to help the ordinary citizens of our country provide for their old age. I can give the names and addresses of a number of people who, in order to evade their obligations to the community and to business concerns of Canada, wanted to put $50,000 or $65,000 into the Government coffers and be guaranteed an annuity for life. It has been unfair to the average citizen, for whose benefit this Act was passed, that large annuities have been paid. Such a thing was never contemplated when the Act was originally passed, and in my judgment the change was only brought about by the work of some special favourites in years gone by.

I cannot compliment my honourable friend (Hon. Mr. Robertson) too highly for bringing down this Bill, which, as I have already said, will work to the advantage of 92 per cent of our people. I only regret that I did not have an opportunity to do such a thing when I was Minister of Labour, because it was just as necessary then as it is now. I hope the House will pass this measure, which is the first real gesture in the interest of the ordinary citizen that I have seen since I became a member of this Chamber.

Hon. Mr. ROBERTSON: I do not desire to delay honourable members, but may I make a brief reply to my honourable friend from Rougemont (Hon. Mr. Lemieux)? He implied that the purchasing power of the dollar had increased since the time the original Act was introduced. That was true for a number of years, but since 1920 there has been a substantial decrease.

I repudiate the suggestion that there was any collusion, or thought of collusion, between the Government or members of Parliament and insurance companies, in connection with this matter. No representations have to my knowledge been made about anything of this kind by insurance companies in the ten or twelve years that I have known something of government. I therefore suggest to my honourable friend that while he may profess to be disappointed because the Minister of Labour—who he says is a friend of the poor man—is bringing down this measure, he should ponder the question whether the Bill will not benefit chiefly the poorer classes of our people, although perhaps it may work slightly to the disadvantage of a few persons who can afford to invest $50,000 or $65,000 in a Government annuity.

Hon. Mr. MURDOCK: Would the honourable Minister state what commission is paid to an agent for securing the sale of a $1,200 annuity, and also of a $5,000 annuity?

Hon. Mr. LEWIS: The honourable the Minister of Labour read, as I understood it, the preamble of the original Act, in order to

sustain his contention that this measure was intended only to benefit persons in the humbler walks of life, as was stated. But I heard no restriction of that kind as the preamble was read, for the statement there was simply that the Act was intended to encourage habits of thrift, without specifying any class of citizens.

Hon. Mr. ROBERTSON: The preamble of the average Act does not contain the details; they are always in succeeding parts. I repeat that the underlying motive of the original Act was to give the poorer classes reasonable protection at cost. It is only in an effort to maintain that purpose that this Bill is brought down.

In answer to my honourable friend from Parkdale (Hon. Mr. Murdock), I may say that where a payment is completed in one year, the commission is one per cent. If a person paid down $65,000 for an annuity, the salesman who got one per cent would make a good day's pay, which would be charged against the public fund. If the payments run over a number of years and the agent has to receive the premiums and remit them to Ottawa, and do the necessary accounting, he does not receive a lower commission, but it takes a longer time for payments to be made.

Hon. Mr. BELCOURT: Does the salesman receive renewal commissions?

Hon. Mr. ROBERTSON: There is no renewal of the contract. A contract may be entered into for payments running into two years or ten years, or any number of years, as the case may be.

Hon. Mr. BELCOURT: There is one commission, once for all?

Hon. Mr. ROBERTSON: But it is paid in instalments.

Hon. Mr. MURDOCK: What would be the cash payment to be made for a $1,200 annuity?

Hon. Mr. ROBERTSON: At what age?

Hon. Mr. MURDOCK: Well, say at forty, or forty-five, or sixty.

Hon. Mr. ROBERTSON: I think there is a very small difference as between an individual annuity and a joint one for a man and his wife. Ordinarily the premium on an annuity for a woman is slightly higher than that on an annuity for a man. I will endeavour to get an answer to my honourable friend's question.

Section 1 was agreed to.

Hon. Mr. LEWIS.

Section 2, the preamble and the title were agreed to.

The Bill was reported without amendment.

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

THE SENATE

Wednesday, June 10, 1931.

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

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

Bill I1, an Act respecting a certain patent application of Emma E. Tait.—Hon. Mr. Copp.

CANADIAN PACIFIC RAILWAY COMPANY

DISCUSSION

Hon. F. L. BEIQUE rose in accordance with the following notice:

That he will draw the attention of the Senate to the main activities of the Canadian Pacific Railway Company.

He said: Honourable members, at this time of business depression, I think it is opportune to take stock of our national wealth and recall in a very few words the remarkable progress which has taken place in different activities in this country during the last twenty-five or fifty years. I purpose referring to only some of the main items.

The population of Canada rose from 5,371,315, in the year 1901, to 9,934,500, in the year 1930; its area of field crops from 19,763,740 to 60,464,670 acres, and the value thereof from $237,682,285 to $629,140,000; the value of dairy products from $66,470,953 to $291,742,857; the capital involved in manufactures from $446,916,487 to $4,780,296,049; its external trade from $355,362,305 to $2,368,531,884.

Hon. Mr. CASGRAIN: What year?

Hon. Mr. BEIQUE: During the same period. The business depression may possibly be further intensified, but we may rest assured that it will necessarily be temporary and that the progress of the country will before very long resume its natural course.

Several members of this House will be able to recall the time when Canada was hardly known by Europeans and often confounded with the United States. New York was the only city known by them. It is now acknowl-

edged as being one of the main countries of the world, of exceptional and immense possibilities. I think I should have no hesitation to state that the Canadian Pacific Railway Company was and is one of the most important factors in the national wealth of Canada. Some of the figures which I shall presently give will demonstrate that fact.

On the occasion of the fiftieth year of the Canadian Pacific Railway Company I purpose giving important figures showing the striking position which the Canadian Pacific occupies in the economy of Canada. The Company's expenditure will show the Government securities held by the Company, the amount of taxation which the Company has paid into Canadian Government treasuries, and the expenditures made in recent years, from which every phase of the Canadian industrial system has benefited. The money which the Canadian Pacific has invested in the extension of branch lines shows how the Canadian Pacific is still contributing to the expansion of the country, and the sums expended on rolling stock indicate how the Company is improving its facilities commensurately with the greater scale and efficiency of modern business:

Amount of Canadian Government (including Federal, Provincial and Municipal) securities held by Company	$ 12,442,113 83
Taxes—amount paid to December 31, 1930	113,540,000 00
Total expenditures by Company—	
Years 1919 to 1926, inclusive	$2,403,994,876 35
1927	331,988,206 71
1928	364,102,453 99
1929	430,813,860 95
1930	374,024,915 98
	$3,904,924,313 98
Amount spent for branch lines construction—	
Years 1919 to 1926, inclusive	$ 32,553,137 81
1927	4,767,289 20
1928	9,624,753 91
1929	10,628,644 60
1930	11,142,093 36
	$ 68,715,918 88
Amount spent for rolling stock, including new equipment, replacements and improvements—	
1919	$ 8,475,036 11
1920	10,645,860 20
1921	17,815,722 41
1922	5,115,366 91
1923	14,681,788 63
1924	8,775,770 13
1925	3,700,189 02
1926	19,192,081 58
1927	7,432,975 07
1928	16,515,422 20
1929	42,480,586 76
1930	18,010,650 84
	$172,841,449 86

The coal mines of Canada have been the recipients of a large proportion of their business from the Canadian Pacific Railway, whose purchases from Canadian mines in the nine years from 1922 to 1930, inclusive, have amounted to a value of $9,330,568 from the Eastern mines, and $65,562,122 from mines in Western Canada. The average annual sum paid to Canadian coal mining companies during this period was thus $8,321,410.

A measure of the increase in Canada's business and in the Canadian Pacific Railway operations is provided by the following figures showing the traffic which the Railway handled in 1885, when the original main line was completed, as compared with the year 1928, which has been the heaviest traffic year to date:

	1928 In millions	1885 In millions
Passengers carried	13.3	1.7
Tons freight carried	40.2	2
Passenger miles	1,318.7	117
Ton miles	18,059	407
Grain handled	395.7 bush.	11 bush.
Flour handled	13.3 bbls.	1 bbl.
Manufactured goods handled	11.3 tons	0.47 (476,700 tons)

Steamships.—In addition to operating one of the two big Canadian railway systems, the Canadian Pacific is engaged in many other enterprises of great importance to the Canadian people. First among these we may place the steamship fleets, which constitute a link in Canadian trade facilities of immense value. We can hardly overrate the importance of regular and rapid ocean transit to a country such as ours, which depends so largely upon the export of various products in keen competition with other producers for the markets of the United Kingdom, the European continent and the Orient. Without prompt and regular shipping facilities, our exporters would be severely handicapped. The following is a statement of the ships operated by the Canadian Pacific on the Atlantic and Pacific oceans, and also on the Canadian coasts, lakes and rivers:

	Number	Tonnage
Atlantic	21	
Pacific	4	
	25	399,462
British Columbia coast	30	63,858
Great Lakes	5	15,965
B.C. lake and river	14	10,045

It might be mentioned that in connection with these shipping services new freighters were placed in the Montreal-London service to give quick transportation, necessary for shipments of butter, cheese, bacon and other perishables, and these ships have proved successful in affording our exporters their

opportunity with these products. The regular passenger services, which bring so many people to our shores, are supplemented by winter cruises, concerning the value of which to this country I shall have something to say later.

Hotels.—The Company owns and operates a chain of 16 hotels, which are well and favourably known to all travellers in Canada, and by means of festivals and the facilities provided for golf and winter sports these hotels attract a large number of visitors to this country every year. They have been largely instrumental in popularizing the Canadian climate. Among these hotels which have become favourite resorts of visitors from other lands are the Banff Springs Hotel and the Chateau Lake Louise in the Rocky Mountains, with their incomparable scenic attributes, the Empress Hotel at Victoria, with its climatic advantages, and the Chateau Frontenac at Quebec, with its winter sports. The Royal York Hotel at Toronto has become a centre for conventions on the American continent, and this hostelry has the distinction of being the largest hotel in the British Empire.

There are also operated 10 bungalow camps in lake and mountain districts, which allow tourists who so desire to live closer to nature than the ordinary hotel would permit, and yet to be surrounded with the means of comfortable living.

There is still under construction the Lakeside Inn near Yarmouth, N.S., which will contain 55 rooms in the main guest building and have 5 three-room cottages attached. This addition to holiday resorts of Nova Scotia is designed to aid in the further progress of that province as a magnet for tourist travel. Also, as is well known, there is projected an hotel in London, England, for which a suitable site has been secured, but the actual construction will not be undertaken at the present time, owing to the business conditions prevailing. Looking into the future, one feels that this hotel will serve to introduce the Canadian Pacific most favourably to the enormous number of travellers passing through that city, and thus form another link in the chain of facilities which the Canadian Pacific provides from Europe to the Orient.

Telegraphs.—The Canadian Pacific Telegraphs are another of the services which assist the prompt conduct of business in our country. They were officially opened for service in September, 1886, and at that time had but 4,525 miles of pole line, with a wire mileage of 14,508, but the system has grown from year to year until now there is a pole line mileage of 17,718 miles, with a wire mileage of 162,615; in addition to a cable mileage of approximately 400, providing 6,132 miles of wire. The development of the carrier channel system has increased the wire facilities to the extent of 60,420 miles. This increase, added to the physical wire mileage, gives a total channel mileage of 223,035.

The system connects directly with the Postal Telegraph Cable Company of the United States, and with the Postal Telegraph system of connections, including the Radio Corporation of America and All-American Cables, linking up Central and South America. It also connects with the Imperial and International Communications, Ltd., to the United Kingdom, the Far East, South Africa and Australia. The connection with the Commercial Cable Company's cable system enables the Canadian Pacific to reach across the Atlantic to Europe, and across the Pacific to the Orient. The Company's telegraph system has kept pace with the recent strides in radio communication, and a broadcasting system operated by the Canadian Pacific Telegraphs has been completed from Halifax to Victoria, linking up a chain of 21 stations.

Express.—The Canadian Pacific Express Company commenced operations in 1882 on what Canadian Pacific Railway mileage existed in the vicinity of Winnipeg at that time. Its original staff consisted of seven employees and its total street equipment consisted of one horse and a second-hand wagon. To-day its activities are well known throughout all Canada and distant parts of the world. Its overseas transportation activities have materially assisted exporters and importers in establishing and extending their trade and in making Canada favourably known throughout the world. The Company established the first air express in Canada, thus placing at the disposal of its patrons this latest method of fast transportation. With its air connections in Europe and the ocean services of fast Canadian Pacific "Empress" ships, time in transit has been materially reduced between Canada and that part of the world.

In the beginning of its activities, and before marketing agencies were well established, much constructive work was done in finding customers and markets for butter, eggs, fish, fruit, etc., as an aid in getting settlers on the land and keeping them there until other marketing agencies were established. The present valuable fruit industry of British Columbia got its start through that kind of activity by the Express Company.

For the convenience of the public, the Company transacts a considerable financial business in issuing money orders for remittances within Canada and to the United States; foreign cheques and money orders to overseas countries, and travellers' cheques. These travellers' cheques are world currency, known to all nationalities and readily accepted almost everywhere.

Immigration and Colonization.—This work has been gradually and systematically organized over a long period of years and constitutes a comprehensive and efficient colonization medium. It is true that owing to recent general conditions modification has been necessary, but this has not disorganized the fundamental nature of the organization built up through years of arduous effort. The function of the department is not only to work continuously to secure settlers of good type consistent with the country's capacity of absorption, but also to attract from other countries capital to promote Canadian progress. It is in a particularly advantageous position to do this work with its organization directed from the central headquarters at Montreal, and maintaining numerous agencies in the British Isles and at different points on the European continent. In the United States a minimum number of centrally located district offices and agencies are operated, while in Canada offices throughout the Dominion are manned by officials who have had many years' experience in colonization work.

While recent conditions tend to obscure the value of colonization work, it cannot be forgotten that the impressive growth of the Dominion during this century could not have taken place without the operation of sound settlement plans, and it is, therefore, significant that to the end of 1930 the Canadian Pacific had been directly responsible for the placing of more than 61,000 heads of families on more than 31,000,000 acres of land. This in addition to numerous individual colonists and considerable capital attracted to Canada owing largely to this Company's activities.

Among the means by which this settlement work has been accomplished and by which settlers have been assisted, we might mention the ready-made farms, the experimental and demonstration farms, the local colonization boards and the Canada Colonization Association.

The ready-made farms were originated in 1910 to meet the peculiar needs of British settlers. The first colony was prepared at Nightingale, Alberta, and comprised 25 irrigated farms of 80 acres each. On each of these a house and barn were erected, the property was fenced and a well dug. A portion of the land was broken, disc-harrowed, and part of it seeded to crop, ready for the arrival of the settlers. In the following years similar colonies were prepared at other points in the West.

As a practical demonstration of the possibilities of prairie soil, as well as to stimulate the ambition of new settlers by showing examples of what they could raise on their own farms, the Company early created demonstration farms in the West. These experiments were carried out by experts and the results made known to farmers who were unable to do this experimentation themselves. The herd of pure bred Holstein dairy cattle on the Strathmore demonstration farm is famous, and the superintendent of this farm was the discoverer of the value of the sunflower to the West as ensilage. It is now largely cultivated and takes the place which fodder corn occupies in the East and South.

Local colonization boards have been established and have done much work of social value in co-operation with the Railway, and since 1925 a subsidiary known as the Canada Colonization Association has been engaged in settlement work, with headquarters at Winnipeg.

One of the greatest contributions to settlement of farm lands has been made by the terms on which Canadian Pacific lands are sold, and it may be said that no company in any country gives such terms to Canadian farmers as does the Canadian Pacific Railway. These lands are sold on terms of 7 per cent cash, no interest accruing or payment due for the first year, at the end of which the balance of purchase price and interest is amortized in thirty-four equal annual payments, the first instalment on which is due at the end of the second year from date of contract.

If it had done nothing else, the Canadian Pacific Railway would have shown itself a great national enterprise by its irrigation work. This system has proven to the world that even that part of Canada apparently doomed by uncertain rainfall to agricultural failure could be successfully transformed into a source of national revenue, and as a result of the ultimate success of the Canadian Pacific's irrigation block, other private organizations and the Provincial Government of Alberta have embarked upon irrigation projects now operating and rapidly settling. The land known as the Canadian Pacific irrigation block covers roughly an area 150 miles long

by 50 miles wide. Diversion dams were built at Calgary and Bassano, and natural reservoirs at Chesterton Lake, near Calgary, and Lake Newal, near Brooks, were brought into utilization, while water is supplied from the Bow River. The Canadian Pacific also acquired from the Alberta Railway and Irrigation Company, in the Lethbridge district, their irrigation system with 130,000 acres of irrigable land, all of which is now occupied.

Mineral and Industrial Development Organizations.—The Company also maintains development branches for the purpose of collecting information as to miscellaneous resources of Canada and of assisting in the development of such resources. Its staffs include men trained along lines of engineering, mining and geology. In pursuance of these objects, extensive field surveys have been carried out. The furnishing of accurate information regarding these varied material resources, combined with the necessary facts as to suitable locations, available buildings, sites, labour conditions, taxes, power rates, water supply, transportation, etc., to business men interested in establishing factories and warehouses in this country, is a service rendered by industrial agents and has been instrumental in bringing a large number of new industries to Canada.

Publicity.—A service of great value to Canada rendered by the Canadian Pacific lies in the manner in which our country is advertised all over the world, and accurate information regarding it disseminated. The Company is spending at the rate of upwards of $1,750,000 annually in advertising Canada in foreign countries, through the medium of newspapers, magazines, advertising booklets, exhibitions, moving pictures and lectures, and radio broadcasts, extending to 29 countries, exclusive of Great Britain and Ireland. Each office of the Canadian Pacific Railway abroad is a focussing point for this work, and as there are 159 principal traffic agencies in Europe, in the United States and elsewhere, the value of this organization to Canada in drawing traffic from all over the world can be readily imagined.

To encourage the immigration of capital by directing attention to opportunities in the Dominion, there is published a twenty-page monthly review under the title "Agricultural and Industrial Progress in Canada." It goes to 45 countries of the world, its circulation being 15,000, and many of the articles contained therein are reproduced in newspapers and periodicals of this and many other countries. As a supplement to this a weekly news sheet of progressive Dominion news items is published in issues of six thousand. It is in handy form for newspaper insertion and plays an important part in keeping the progress of Canadian affairs before the public of Canada and other countries.

In recent years the company has maintained a bureau of Canadian information at Montreal and branch libraries in Great Britain and the United States and has advertised its willingness to supply information on Canadian affairs. Its slogan, "Ask us about Canada," is well known and has resulted in thousands of inquiries reaching headquarters and branches each year. The libraries keep abreast of the time to meet these requests. A large library of motion picture films illustrating various phases of Canadian progress is kept in Canada, Great Britain and Europe and in the United States. These are available for loan to boards of trade and other commercial organizations, colleges and clubs.

The Canadian Pacific fleet of steamships advertises Canada not only in the regular ports associated with the Atlantic and Pacific services, but also in the ports of call on the various cruises. On the Round the World cruise of the "Empress of Britain," for instance, twenty foreign countries will be visited, and thirty separate ports used; on the Mediterranean cruise of the "Empress of Australia" fifteen additional foreign ports will be visited; on the West Indies cruises thirteen more ports will see the "Duchess of Bedford," and on the two summer cruises of the "Empress of Australia" to Norway there are fifteen foreign ports of call. So there will be a total of 75 foreign ports which will get to know of Canada through these Canadian Pacific cruise ships.

The new "Empress of Britain," a 42,000-ton liner embodying the very latest improvements in ocean passenger ships, is expected to prove a great asset to this country in drawing traffic through the St. Lawrence seaway, and the news of its construction, launching, and superb accommodation has already advertised Canada and the Canadian Pacific throughout the world.

All these means of publicity represent the distribution throughout the world of a considerable volume of information about Canada and the stimulation of interest in the country.

Right Hon. Sir GEORGE E. FOSTER: Honourable senators, at the risk of being voted a nuisance, I am going to claim the attention of the Senate for a short time. In the first place I want to congratulate my honourable and honoured friend from De Salaberry (Hon. Mr. Béique) for the service that he has rendered to us and the country at large in presenting what has seemed to me to be a wonderfully spectacular show.

My honourable friend has kindly alluded to me at times and intimated that he liked me best when I was giving reminiscences. Well, if he will provoke reminiscences he will have to shoulder a portion of the responsibility for them. As I remember, it was about fifty-one years ago that, as a young man, I was one day attracted to the gallery of the House of Commons by the announcement that Sir Charles Tupper intended to introduce a Bill with reference to the Canadian Pacific Railway and the march of transportation towards the Pacific. I had a comparatively unoccupied brain, with no particular affiliations. As I sat in the gallery and listened with an open mind to Sir Charles Tupper's long speech, which, I believe, lasted some six hours, I had varying sensations. At first my thought was, "What is he letting us in for?" The project was so immense and our resources at that time were to such an extent unknown and to such a still greater extent undeveloped that I wondered whether the burden that it was apparently intended to impose could be borne by this young country. So my reaction to the first part of the speech was rather unfavourable. But at the end of the speech I had to confess myself a complete convert to the magnificent proposition that had been unfolded. My first ambitious speech in the House of Commons was delivered, some years later, in support of a loan to the Canadian Pacific Railway. Afterwards, for a time, I was strongly impressed with the possibility of the failure of the vast undertaking, but as to that I had only one conviction, that once the project had been begun we must support it. I was an earnest and somewhat efficient advocate of the second loan, as of the first. I remember well a doughty opponent of mine, on the other side of the House, made a prophecy—and prophecies were cheap at that time—

Hon. Mr. CASGRAIN: They are yet.

Right Hon. Sir GEORGE E. FOSTER: —that I would never see a sufficient return of interest or principal in connection with that loan to the Canadian Pacific to pay one year's indemnity on my House of Commons service. Well, things have happened since then. I am not going to take up the time of honourable members with recounting the various phases through which this great project has gone; it is enough to say that in it and through it Canada, as well as the Canadian Pacific Railway, has been amply justified. This is not simply a railway; it has developed great subsidiary activities. It is said that corporations are soulless. Well, I think that if one corporation more than another can lay claim to the possession of a soul, the Canadian Pacific Railway Company, with all its enterprises, can do so with the approval of all Canadians. The road has had a series of great promoters and managers, who have had imagination as well as a practical sense of what could be effectively undertaken and carried out from time to time.

One who reviews the history of the Canadian Pacific Railway Company is inevitably impressed by the multifarious agencies which it has nurtured into an enterprising vitality, all tending to the development of the country and consequentially to the prosperity and permanency of the road itself. I have travelled somewhat extensively, and at no place in the world that I have visited have I failed to meet enterprising and successful agents of the Canadian Pacific Railway, who whilst primarily engaged in the interests of that road, have also been extending the good reputation of the Dominion of Canada. The Canadian Pacific Railway has been successful in identifying itself with Canada and working for the development of this country in all the phases of its world enterprise. So the magnificent record of undertakings and activities which has been set before us this afternoon by my honourable friend merits our admiration and demands our approval and gratitude.

The Company has been subject to criticism. It has met that criticism with action and has relied upon results to justify it in the long run. Its justification, I think, is now recognized, and I believe its future will continue to be marked by that particular feature.

We have another railway system in this country, and whilst I extend my congratulations to my honourable friend, I want to say that I do not take any back seat when it comes to supporting our own Canadian National Railway System. Had Canada's hands been free, Canada would probably not have taken over the system; nevertheless, in the progression of events, this great and multifarious enterprise has been adopted by this country. To this enterprise I remain loyal and true, and whilst I give to the Canadian Pacific Railway my admiration and my best wishes for its continued development and success, and consequently our continued development and success, I still stand by the other railway system, our own, to which we should be loyal, and which we should reasonably and practically support and uphold.

Honourable members will excuse me for taking the time of the House in this manner.

I felt that I could not remain silent when this subject had been placed before us in so admirable and effective a way.

Hon. Mr. CASGRAIN: May I speak for two minutes by the clock? The right honourable gentleman has given us his recollections of 1881. I beat him by several years, for I was working on the Canadian Pacific Railway in 1874. We were then running a line from Port Arthur, or Prince Arthur Landing, as it was called, to Lake Shebandowan. The following year I was engaged on the construction of the Canadian Pacific Railway.

Hon. W. A. GRIESBACH: Honourable senators, I join with the right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster) in offering the thanks of the House to the honourable gentleman from De Salaberry (Hon. Mr. Beique) for his careful and comprehensive statement of the affairs of the Canadian Pacific Railway. The Canadian Pacific Railway Company is a vast Canadian enterprise whose activities touch the activities of all our people in all parts of the country. Just at the present time it serves another purpose in that it offers a basis of comparison in the matter of railway operation. Great as is the Canadian Pacific Railway, it is not our greatest railway system. Our greatest railway system is our own Canadian National Railways.

I am aware that there is a tendency on the part of some of our people and newspapers to endeavour to choke off any discussion of the Canadian National Railways with the cry that the critic is hostile to the C.N.R. or to the principle of government ownership. Neither the C.N.R. nor the principle of government ownership is sacrosanct. The Canadian National Railway System is a business proposition, and it must be subjected to the tests normally applicable to business of any sort.

I purpose this afternoon to read to the House a number of statements that I have prepared, or have had prepared, which are in the nature of comparative statements, where comparisons are possible, regarding the activities of these two railways, and I shall offer some observations upon them. First I should point out to the House that many years ago the Interstate Commerce Commission of the United States issued instructions dealing with railway accounting and the form that it should take, and that method of railway accounting was adopted by our own Railway Department in 1915. This book of instructions which I have under my hand gives the headings under which all entries of receipts and expenditures are to be shown, and classifies the items which come under those headings. The statements that I am about to give to the House are prepared in accordance with this authorized method of accounting and are confined exclusively to items of expenditure which are strictly comparative. I am eliminating all other items; I am not dealing with steamships, nor with hotels, nor with a large number of other subjects which cannot be compared. In order to get down to a sound basis I have endeavoured to strike an index figure showing the precise nature of the comparison.

I now read a statement giving comparative factors which affect operating expenses of the Canadian National Railways and the Canadian Pacific Railway for 1929. The items are as follows:

Item	Canadian National Railways	Canadian Pacific Railways	Percentage C.N.R.	Percentage C.P.R.
Total mileage	28,200	20,651	57.7	42.3
Tons of freight carried	55,338,665	38,221,961	59.1	40.9
Tons of freight carried 1 mile	16,640,283,681	14,565,275,970	53.3	46.7
Passengers carried	18,794,446	12,639,633	59.8	40.2
Passengers carried 1 mile	1,307,738,289	1,200,405,267	52.1	47.9
Total revenue train mileage	54,777,770	47,464,652	54.2	45.8
Total			336.2	263.8
Average			56.1	43.9

The reference is "Steam Railways," 1929, page 57. These percentages disclose a certain relationship. That is to say, an examination of various operations which affect operating costs shows that these vary as 56.1 to 43.9, or as 1,000 to 782. An examination of a very wide range of items shows that this ratio of about 56 per cent for the Canadian National Railways and 44 per cent for the Canadian Pacific Railway holds true.

This method is open to obvious objections, but a comparison of operations on the two different railway systems cannot be reduced to an exact similarity of detail, owing to

physical differences which would affect operation costs. In any event, the law of increasing returns should operate under these conditions in favour of the Canadian National Railways, as they are doing the larger volume of business. For the sake of convenience I have adopted a ratio of 1,000 to 800; in other words, the different comparable items of operating expense of the Canadian National Railways and the Canadian Pacific Railway should vary in this way. That is to say, the Canadian National Railways would be justified in spending $1,000 where the Canadian Pacific Railway would spend $800.

Now, the governing factors in arriving at this datum point, or index figure, are the mileage and the business done. There are other factors, but those are the two principal ones. I repeat: the mileage of the Canadian National Railways is 28,200; the mileage of the Canadian Pacific Railway is 20,651. I am dealing with the actual mileage, which includes double tracking and yard trackage—the whole of their mileage. With regard to the freight carried in 1929, I find that for that year the Canadian National Railways carried 55,338,665 tons, and the Canadian Pacific Railway carried 38,221,961. Those are the main figures which I use for the purpose of getting my datum point, if you like to call it that, or my index figure, which I fix at 1,000 for the Canadian National Railways and 800 for the Canadian Pacific Railway.

I will now read to you the net operating revenue of the Canadian National Railways for a period of years:

Calendar Year	Net Operating Revenue
1922	$ 2,886,711
1923	20,235,563
1924	17,244,251
1925	32,264,415
1926	46,483,193
1927	41,573,851
1928	54,859,573
1929	43,620,650
1930	22,080,975

I may point out that in 1928 the peak was reached: in that year the net revenue amounted to $54,859,573. The references used in compiling these figures are the Canada Year Book for 1930, page 638, and annual reports of the Canadian National Railways.

I now read the statement of accumulated debt charges against the Canadian National Railways, including appropriations for Canadian Government Railways, from 1919 to 1930:

Calendar Years	Amount Outstanding December 31
1919	$1,483,356,024
1920	1,629,000,072
1921	1,761,921,327
1922	1,821,249,146
1923	1,937,282,332
1924	2,056,181,518
1925	2,119,811,644
1926	2,151,144,000
1927	2,239,478,478
1928	2,268,105,515
1929	2,431,244,155
1930	2,498,571,939

The interest charges during that period have grown in the following manner:

1919 $38,196,268

Hon. Mr. CASGRAIN: That is, due to the public, or including everything?

Hon. Mr. GRIESBACH: Everything. As I said in my opening statement, the general indebtedness.

I will put the figures on Hansard:

Interest Charges of Canadian National Railways

Calendar Years	Accrued During Year
1919	$38,196,268
1920	45,402,150
1921	55,442,796
1922	59,565,200
1923	65,199,324
1924	69,632,747
1925	71,888,617
1926	71,287,687
1927	73,031,330
1928	74,318,217
1929	78,228,973
1930	84,009,997

In 1930 the interest charges had grown to $84,009,997. The references are as follows: Canada Year Book, 1930, page 641, and the Annual Report of the Canadian National Railway System for the year ended December 31, 1930.

Now I come to the comparative statements which are the foundation of my observations. I will read the statements and comment on them afterwards. I have before me a comparison of details of Transportation Expenses, Canadian National Railways and Canadian Pacific Railways, 1929. First is the item; then in the first column is the Canadian National Railway expenditure; in the second column the Canadian Pacific Railway expenditure; and in the third column, having used the index figure or datum point, I show the amount which the Canadian Pacific Railway management would spend for the same service if instead of spending $80 they spent $100; in other words, it is the amount the Canadian Pacific Railway would spend if they had the mileage and the business of the Canadian National Railways. I will elaborate these figures later on. Here is the comparison:

Item	Canadian National Railways	Canadian Pacific Railways	C.P.R. x 1000/800
Superintendence	$ 3,577,400.71	$ 2,365,385.51	$ 3,000,000
Despatching trains	1,459,264.19	1,198,010.30	1,500,000
Station employees	14,736,038.37	11,873,861.51	14,843,000
Yard masters and yard clerks	2,321,578.15	1,059,513.00	1,325,000
Yard conductors and brakemen	4,664,225.24	3,792,279.50	4,740,000
Yard switch and signal tenders	645,773.13	270,549.44	338,000
Yard engine men	3,464,789.40	2,607,558.88	3,260,000
Enginehouse expenses yard	1,362,342.00	437,019.41	586,000
Stationery and printing	566,502.71	482,166.15	604,000
Other expenses	139,023.00	49,342.97	62,000
Clearing wrecks	399,165.03	159,177.90	200,000
Damage to property	69,486.24	134,186.85	168,000
Injuries to persons	860,437.21	527,831.63	660,000
	$34,266,025.38	$24,956,883.05	$31,286,000

Total Canadian National Railway expenses	$34,266,025.38
Prorated Canadian Pacific Railway expenses	31,286,000.00
Probable saving	2,980,025.38
Probable saving prorated in 1923 for identical items	3,488,690.24

This information is obtained from "Statistics of Steam Railways of Canada" for the year ended December 31, 1929, pages 89 to 99.

Let me explain again that the third column shows what the expenditures would have been under C.P.R. management, on the basis of their actual expenditures, if they had the same mileage and the same amount of business as the Canadian National Railways. According to this statement, the Canadian Pacific management would probably have saved the Canadian National Railways $2,980,025.38.

The next statement is a comparison of details of General Expenses, Canadian National Railways and Canadian Pacific Railway, 1923.

That was the year of the consolidation. I repeat that I am dealing with comparable items only, and that a comparison of the third column of figures with the first column indicates what would have been the probable saving to the Canadian National Railways if they had been under Canadian Pacific management. And I point out again that these figures are prepared in accordance with the standard method of railway accounting. The comparison of general expenses is as follows:

Hon. Mr. BARNARD: What year?

Hon. Mr. GRIESBACH: This is 1923.

Item	Canadian National Railways	Canadian Pacific Railways	C.P.R. x 1000/800
Salaries and expenses, general officers	$ 835,737.17	$ 391,887.91	$ 490,000
Salaries and expenses, clerks and attendants	3,732,941.46	1,592,525.11	2,000,000
General office supplies and expenses	711,132.67	161,225.19	202,000
Law expenses	435,480.54	280,481.65	351,000
Stationery and printing	300,912.16	150,957.72	189,000
	$6,016,204.00	$2,577,077.58	$3,232,000

Total, Canadian National Railways	$6,016,204.00
Prorated Canadian Pacific Railway	3,232,000.00
Probable saving	2,784,204.00

This information is from "Statistics of Steam Railways of Canada" for the year ended December 31, 1923, pages 95 to 97.

I have the statement for the same items, in the same order, for 1929:

Item	Canadian National Railways	Canadian Pacific Railways	C.P.R. x 1000/800
Salaries and expenses of general officers	$ 876,011.01	$ 439,607.04	$ 550,000
Salaries and expenses of clerks and attendants	3,232,795.76	1,761,532.75	2,200,000
General office supplies and expenses	351,327.85	153,072.03	192,000
Law expenses	460,356.92	269,996.91	338,000
Stationery and printing	139,380.49	147,140.89	184,000
	$5,059,782.03	$2,771,349.62	$3,464,000

Total, Canadian National Railway expenses	$5,059,782.03
Prorated Canadian Pacific Railway expenses	3,464,000.00
Probable saving	1,595,782.03

These figures are obtained from the same source as the others, "Canadian National Railway Lines in Canada, No. 12"; and "Canadian Pacific Railway Lines in Canada, No. 13."

The next statement is a comparison of Superintendence and General Expenses, Canadian National Railways and Canadian Pacific Railway, 1923:

Item	Canadian National Railways	Canadian Pacific Railways	C.P.R. x 1000/800
Superintendence, maintenance of way and structures	$ 2,662,280.14	$1,124,112.09	$1,405,000
Superintendence, maintenance of equipment	1,421,745.89	572,981.94	716,000
Superintendence, transportation	2,880,273.21	2,308,747.61	2,886,000
General expenses	6,016,204.00	2,577,077.58	3,232,000
	$12,980,503.24	$6,582,919.22	$8,239,000

Total, Canadian National Railways	$12,980,503.24
Prorated Canadian Pacific Railway	8,239,000.00
Probable saving	4,741,503.24

Then I have a statement showing a comparison of the same items for the year 1929:

Item	Canadian National Railways	Canadian Pacific Railways	C.P.R. x 1000/800
Superintendence, maintenance of way and structures	$ 3,544,227.18	$1,325,743.12	$1,660,000
Superintendence, maintenance of equipment	1,678,092.85	634,048.11	800,000
Superintendence, transportation	3,577,400.71	2,365,385.51	3,000,000
General expenses	5,059,782.03	2,671,349.62	3,364,000
	$13,859,502.77	$6,996,526.36	$8,824,000

Total, Canadian National Railways	$13,859,502.77
Prorated Canadian Pacific Railway	8,824,000.00
Probable saving	5,035,502.77

Following next is a comparison of details of Maintenance of Equipment Expenses, Canadian National Railways and Canadian Pacific Railway for 1923:

Item	Canadian National Railways	Canadian Pacific Railways	C.P.R. x 1000/800
Superintendence	$1,421,745.89	$572,981.94	$716,000
Injuries to persons	233,389.56	177,201.08	222,000
Stationery and printing	78,620.61	37,583.53	47,000
Other expenses	22,475.85	10,378.88	13,000
	$1,756,231.91	$798,145.43	$998,000

Canadian National Railways	$1,756,231.91
Total Prorated Canadian Pacific Railways	998,000.00
Probable saving	758,231.91

An examination of other accounts shows such a wide variation, possibly because of the different policies in effect at the time, that the figures are not truly comparable on this basis.

The next statement shows a comparison of the same expenses for the year 1929:

Item	Canadian National Railways	Canadian Pacific Railways	C.P.R. x 1000/800
Superintendence	$1,678,092.85	$634,048.11	$ 800,000
Injuries to persons	326,488.38	143,741.02	180,000
Stationery and printing	58,907.96	31,191.42	39,000
Other expenses	16,576.78	2,085.95	2,600
	$2,080,065.97	$811,066.50	$1,021,600

Total, Canadian National Railways .. $2,080,065.97
Total Prorated Canadian Pacific Railways .. 1,021,600.00
Saving over Canadian National Railways .. 1,058,465.97

The information is from "Statistics of Steam Railways of Canada" for 1923 and 1929, Table 7, Maintenance of Equipment.

The next statement is a comparison of the details of the Expenses of Maintenance of Way and Structures of the Canadian National Railways and the Canadian Pacific Railway for 1929. They are as follows:

Item	Canadian National Railways	Canadian Pacific Railways	C.P.R. x 1000/800
Superintendence	$ 3,544,227.18	$ 1,325,743.12	$ 1,660,000
Ties	6,957,091.43	4,292,835.56	5,366,000
Rails	3,817,177.91	1,545,498.55	1,932,000
Ballast	1,099,573.24	1,288,762.28	1,611,000
Tracklaying and surfacing	12,757,613.15	8,749,339.81	10,937,000
Injuries to persons	490,780.30	212,472.16	266,000
Stationery and printing	73,091.74	28,207.79	35,300
Other expenses	11,863.02	3,579.83	4,500
	$28,751,417.97	$17,446,439.10	$21,811,800

Now I give the recapitulation:

Total, Canadian National Railways .. $28,751,417.97
Canadian Pacific Railways Prorated 1000/800 .. 21,811,000.00
Saving by Canadian Pacific Railway prorated expense over Canadian National Railways .. 6,940,417.97

I have here the figures with respect to identical items of expense for 1923. The saving, arrived at in the same way, would have been $2,387,300.50. This information is taken from "Statistics of Steam Railways of Canada" for the year ended December 31, 1929, and "Canadian National Railway Lines in Canada, No. 12," and "Canadian Pacific Railway, No. 13," pages 74 to 81.

I should draw attention to the amount spent by the Canadian Pacific Railway in ballast. Honourable members will have observed that in 1929 the Canadian Pacific Railway, although having a smaller business and a smaller mileage, paid a great deal more for ballast. That in turn is reflected in "injuries to persons" and in "clearing wrecks," under which items the expense of the Canadian Pacific Railway is very much smaller. They seem to know where to spend their money.

The next statement is a comparison of amounts spent on the Clearing of Wrecks and Damage to Property:

	Canadian National Railways		Canadian Pacific Railway	
	Clearing Wrecks	Damage to Property	Clearing Wrecks	Damage to Property
1923	$ 598,083 06	$112,378 20	$ 185,083 49	$ 52,830 45
1924	427,643 61	95,809 54	142,226 31	31,178 43
1925	391,129 62	90,866 47	134,548 59	46,542 15
1926	403,337 02	40,810 78	136,303 77	27,691 73
1927	469,630 91	44,331 13	164,818 89	39,033 39
1928	531,535 53	32,841 93	147,194 76	55,720 89
1929	399,165 03	69,486 24	159,177 90	134,186 85
Total	$3,220,524 78	$486,524 29	$1,069,353 71	$387,183 89

Then a comparison of the amounts spent on Ties, Rails, Ballast—Maintenance of Way and Structures—1923 to 1929:

	Canadian National Railways			Canadian Pacific Railway		
	Ties	Rails	Ballast	Ties	Rails	Ballast
1923	$ 5,850,719	$ 2,371,494	$ 309,898	$ 4,355,660	$ 1,784,246	$ 988,958
1924	5,914,154	3,188,082	358,373	4,140,781	752,431	973,744
1925	6,194,753	2,391,691	424,969	4,350,233	1,060,475	472,868
1926	7,468,158	1,543,110	584,060	4,864,203	1,543,100	797,166
1927	7,145,359	3,328,600	788,259	4,917,517	1,668,871	1,050,308
1928	7,401,265	4,717,684	986,944	5,442,833	3,694,457	1,010,203
1929	6,957,091	3,817,117	1,099,573	4,292,835	1,545,498	1,288,762
Total	$46,931,499	$21,357,778	$4,552,076	$32,364,062	$12,049,078	$6,582,009

The amount the Canadian Pacific Railway would have spent if they had had the same mileage and the same business would have been, for ties $40,455,000.

Hon. Mr. CASGRAIN: I am afraid the honourable gentleman did not read that last figure right.

Hon. Mr. GRIESBACH: Well, if it is wrong I will correct it.

Now I am going to read a recapitulation of all these savings, which I think will be of some use. This is a comparison of the details of Operating Expenses which are comparable, of the Canadian National Railways and the Canadian Pacific Railway, for 1923:

	Canadian National Railways	Canadian Pacific Railway	Prorated C.P.R.
Maintenance of way and structures	$23,068,500	$16,609,232	$20,681,000
Maintenance of equipment	1,756,232	798,145	998,000
Transportation expenses	31,243,590	22,179,209	27,746,000
General expenses	6,016,352	2,577,078	3,232,000
Total	$62,084,674	$42,163,664	$52,657,000

Total, Canadian National Railways, excluding traffic expenses .. $62,084,674
Total Prorated Canadian Pacific Railway .. 52,657,000
Probable saving .. 9,427,674

Now I come to an important matter, a comparison of the details and operating expenses of the Canadian National Railways and the Canadian Pacific Railway for 1929:

Maintenance of way and structures	$ 28,751,418	$17,446,439	$21,811,800
Maintenance of equipment	2,080,066	811,166	1,014,600
Transportation expenses	34,266,024	24,956,885	31,200,000
General expenses	5,059,782	2,771,350	3,364,000
Total	$ 70,157,290	$45,985,840	$57,390,400

These items are brought to a conclusion and totalled here. The Canadian National Railways expenditure, excluding traffic expenses, is $71,157,290; the amount that the Canadian Pacific Railway mangement would have spent if they had the same mileage and did the same business would have been $57,390,400; so there would have been a probable saving in 1929 of $13,766,890. The comparative items of expense of the Canadian National Railway System are taken from the Canadian National statement of railway operating expenses. I would draw attention to the fact that their operating expenses in 1929, excluding traffic costs, were $217,223,886, and of that amount I have found that I could properly and reasonably compare only certain items totalling $71,000,000, and I have not compared the remainder of them. You may draw your own conclusions as to what would have been the effect if I had done so.

Hon. Mr. LAIRD: Is it the argument of the honourable gentleman that the remainder would be largely in favour of the Canadian National Railways?

Hon. Mr. GRIESBACH: I can express no opinion as to that. Honourable gentlemen may draw their own conclusions. I have not been able to discuss ships, because no comparison is possible. The same is true of hotels. I have not discussed even the section devoted to traffic. In this manual of instructions for accounting, strange to say, under

the head of traffic come cost of advertising, outside agencies, industrial immigration bureaus, stationery and printing. I can give the figures, but they are of no particular value, because they are not comparable. The two companies have entirely different methods, and the circumstances are different.

I conclude the statements by reading one of net railway revenues for the first four months of 1931, and newspaper clippings attached. The net revenue of the Canadian National Railways for the first four months of 1931 was $993,351; that of the Canadian Pacific Railway for the same period was $4,505,751. The decrease in the earnings of the Canadian National Railways, according to these clippings, was in that period $5,846,559; in the earnings of the Canadian Pacific Railway it was $1,067,232. That is a very striking contrast.

Revenues of C.N.R. Decreased in April—$3,076,245 Less Than Same Period Last Year

Canadian Press Despatch.—Montreal, May 28.—Gross revenues of the Canadian National Railways for the month of April, 1931, were $15,233,779, a decrease of $3,076,245 as compared with the corresponding month of 1930. Operating expenses were $14,338,889 for April, 1931, a reduction of $1,780,441 as compared with April, 1930. Net revenue during the month recently closed was $894,889, a decrease of $1,295,803 from the net of April, 1930. For the period ending April 30, gross revenues were $57,434,769, a decrease of $14,056,988 from the figures for the corresponding period of 1930. During the 1931 period, working expenses were reduced by $8,210,428, to a total of $56,441,417 for the four months, and net revenue was $993,351, a decrease of $5,846,559 as against the figure for the same period of 1930.

C.P.R. April Earnings

(Canadian Press.)—Montreal, May 28.—Gross earnings of the Canadian Pacific Railway for the month of April were $12,006,288.69 as compared with $14,302,109.95 in April, 1930, a decrease of $2,295,821.26. Working expenses were $10,398,411.96, a decrease of $2,171,896.97 as compared with $12,570,308.93 last year. Net profits were $1,607,876.73 against $1,731,801.02 in 1930, a decrease of $123,924.29.

For the four months ended April 30, gross earnings were $45,890,615.42, a decrease of $8,215,690.86 as compared with $54,196,306.28 in the corresponding period in 1930. Working expenses were $41,474,863.56 against $48,623,321.58 last year, a decrease of $7,148,458.02. Net profits were $4,505,751.86 as compared with $5,572,984.70 in 1930, a decrease of $1,067,232.84.

This completes the collection of statements of comparable items of the expenditures of these companies, in some cases for 1923 as compared with 1929, in other cases running through from 1923 to 1929, and in still other cases dealing solely with 1929.

I think it proper, in fairness to both companies, to refer to the type of directorship that these companies have.

Hon. Mr. BELCOURT: Before my honourable friend passes on, would he permit me to ask if he has a comparative total of all the years that he has covered? Has he made a grand total comparison?

Hon. Mr. GRIESBACH: I could not do that. It is beyond my capacity.

The Board of Directors of the Canadian Pacific Railway are prominent and influential men in Canada; they have been successful in their own businesses; for the most part they are heads of large organizations and own or represent large blocks of stock in their respective companies, and are able to influence in favour of that railway a vast volume of traffic. Contrast that with the condition of the Board of Directors of the Canadian National Railways. These men, from the beginning, have been selected from the friends of the Government of the day; most of them have not been heard of outside of their own home towns; they are not greatly successful men, and influence practically no traffic nor trade at all, and one may well believe that they have very little to do with the management of the system.

Now I want to offer a few observations on the political side of this subject. In the matter of the Canadian National Railways the record of the parties, so far, is about even. The various railways that constitute the system were taken over by a Conservative administration; the work was continued by a Liberal administration. It is noticeable that when anything favourable can be said of the system both parties claim the credit, and that when anything unfavourable is to be said each party seeks to point the finger of scorn at the other.

It is highly interesting to attend the meetings of the Railway Committee that is sitting in another place. The discussion there for the last two or three days has turned around box cars; then it has passed over to the Western part of Canada and freight rates on grain; from there it has swung to Nova Scotia and freight rates on coal. Some other questions, such as the salary question, have been raised, and the committee have got nowhere on them, but not a single question has been directed to the real management of the railway company, nor has an attempt been made to compare the management of the two companies, a matter in which comparison would be fair and just. One has only to watch that committee for

a couple of hours to be persuaded that the management of a great transportation system by Parliament, even remotely, is out of the question.

The C.P.R., although privately owned, is in effect a national enterprise. It is closely interwoven with the financial and industrial life of the country. So much is this the fact that it is commonly stated that the condition of this railway is a business barometer in Canada. In our desire to make the Canadian National Railways a success, by the spending of hundreds of millions of dollars, we should be very careful not to create such a condition of unfair competition as to compromise seriously the future stability of the C.P.R.

I should like to emphasize what I said at the outset, that enormous sums of public money have been spent on the Canadian National Railway System. Our present investment is close to the three billion dollar mark. From the comparative statements that I have presented honourable members may be able to draw some conclusions as to the manner in which much of that money has been spent. Can it be denied that the expenditure of this huge total of public funds has resulted in unfair competition with our other great national system, the Canadian Pacific Railway? There is grave danger that in supporting the principle of government ownership we may end by making a failure not only of the Canadian National Railways, but of the Canadian Pacific Railway as well.

Hon. Mr. CASGRAIN: That is the tragedy.

Hon. Mr. GRIESBACH: Writers on government and municipal ownership many years ago pointed out that one of the dangers of public ownership was the fact that under such a system there would be a large number of employees whose voting strength might prove to be a factor in any discussion involving the enterprise. We have precisely that situation to-day. The vote of the employees of the Canadian National Railways is in many constituencies a determining factor, and any discussion of the merits of the question is beclouded or side-tracked, especially at election time, by the influence of this vote. The dangers inherent in such a situation must be apparent to all. I think it is not necessary to labour that aspect. I do not know how many employees there are in the Canadian National Railway System. Perhaps the honourable the Minister of Labour can give me that information.

Hon. Mr. ROBERTSON: There are 89,000 just now.

Hon. Mr. GRIESBACH: In the Canadian National Railways?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. GRIESBACH: Well, nearly sixty per cent of them are laid off at present. Perhaps it would be safe to say that in normal times there are 150,000 employees—

Hon. Mr. ROBERTSON: That is, on both railways?

Hon. Mr. GRIESBACH: I am speaking only of the Canadian National Railways.

Hon. Mr. ROBERTSON: About 89,000 now, and just about 105,000 a few years ago.

Hon. Mr. GRIESBACH: We will put it at 100,000 in normal times. Most of them are heads of families, and they represent a substantial vote in many constituencies of the country. They resent any suggestion that the Canadian National is not a good railway, or that the people of Canada should not continue to stand behind it. As I have already said, this sentiment exerts a powerful influence at election times and there is a danger that the influence may result in the continuation of a situation which should be very seriously questioned. I am inclined to think that now is the time to question the whole matter. I am certainly not in favour of postponing the discussion until the next election. For that reason I have taken the liberty of bringing these figures to the attention of the House to-day.

Hon. GEORGE GORDON: Honourable senators, my only reason for rising to say a few words at this time is that I think parts of the discussion, particularly some of the remarks of my honourable friend from Edmonton (Hon. Mr. Griesbach), have not been quite fair to the Canadian National Railways. It has often been said, and no doubt with truth, that comparisons are odious, but my experience has been that business men sometimes find much benefit to be derived from occasional comparisons with other businesses of the same class. However, it seems to me that the comparisons that have been made by the honourable gentleman from Edmonton are of very little account. Everybody knows that the C.P.R. was originally built as one great line from the Atlantic to the Pacific, and it has always been managed and operated, as my honourable friend has pointed out, by directors and officials whose efficiency and loyalty cannot be excelled. From time to time the management

of the road has built feeders and branches which it was considered would add to the profits of the company. Now, the circumstances in the other case are entirely different. The Canadian National Railways were taken over—

Hon. Mr. CASGRAIN: Went bankrupt.

Hon. Mr. GORDON: —by the Government, because of the failure of individuals to operate successfully the conglomeration of roads that they had built. Instead of one line that had been constructed to operate as a single unit, there were a number of lines that had been designed to operate in competition one against the other. The result is that to-day we find the Canadian National operating competing lines, such as the old Grand Trunk Pacific and the old Canadian Northern. Similar conditions prevail from one end of the system to the other. Now, I am sure my honourable friend does not mean to tell us that we can fairly compare a unified road like the C.P.R. with a number of roads like those we find under one management in the Canadian National. Let us consider for a moment the Canadian National line that runs from Quebec to Cochrane, for example. The country through which it travels is sparsely populated, but this line has to be manned in many respects as heavily as the line that runs from Montreal through a comparatively well populated territory to Port Arthur and on to the Pacific coast. When, some years ago, we took over the operation of the roads that run through northern Quebec and northern Ontario, they served a very small population. By 1923—and I mention that year because it is one of the years on which my honourable friend has based his comparison—the population had increased somewhat, but it was considerably less than it is now. I am sure that, as time goes on, these districts will become more and more thickly peopled. I feel confident that honourable members agree that the figures presented by my honourable friend constitute, at the best, a very poor basis of comparison of the operating expenses of the two railway systems.

I suppose there are very few persons in Ontario who travel on our railways more than I do. I do not pretend to be a railroad man, but I have been engaged in different businesses that are extensive users of railroad freight services. I know that when Sir Henry Thornton took over the management of the Canadian National the lines in places with which I am familiar were in an extremely bad condition. The so-called railways were only tracks, and there was no loyalty among the employees. He has instilled into the employees—

Hon. Mr. CASGRAIN: An esprit de corps.

Hon. Mr. GORDON: —a spirit of loyalty not surpassed by that of the officers and men of the Canadian Pacific Railway. My observation is—and I should like to make it clear that I am a strong admirer of the Canadian Pacific Railway—that at the present time neither of our roads is being operated more efficiently than the other. I think that both are under first-class management. At this period, when the country is depressed, when the railroads are not paying, when the hotels are not paying, when nothing is paying, is it a good policy to make charges—for that is what I consider have been made here to-day—against the management of this corporation, which I believe is being well served by its officers? I believe that the business of the Canadian National Railways is handled as efficiently as that of any railroad in the world.

Hon. J. S. McLENNAN: Honourable senators, I desire to call to the attention of the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) a point which he overlooked—unintentionally, I am sure—in his interesting reminiscences of the early days of the Canadian Pacific Railway Company. The point is that that company introduced a new principle into the financial conduct of railways, not only in Canada, but all over this continent, namely, that the profits, not merely from the railway itself, but from everything connected with it, should enure to the benefit of the shareholders of the road and to no one else. Formerly it had not been uncommon for persons closely connected with the management of a railroad to operate steamships, telegraph lines, or elevators. A friend of Sir William Van Horne, whom some of us here have known, stated that he and Sir William were both juniors in a railway company that ran from Chicago—

Hon. Mr. CASGRAIN: The Milwaukee.

Hon. Mr. McLENNAN: —and that over and over again Sir William had said, with characteristic gestures, "If I ever have control of a railroad, the shareholders will get every dollar of profit there is in it." And when he did have a say in the control of a railroad he

was backed up in this sentiment by his president and by important directors. I think whenever one is dealing with the history of the Canadian Pacific Railway that should be credited to the early management of the road.

Hon. F. B. BLACK: Honourable senators, I desire to congratulate the honourable senator from Edmonton (Hon. Mr. Griesbach) upon the statements that he has presented. I do not quite agree with the contention of the honourable gentleman from Nipissing (Hon. Mr. Gordon) that the expenses of the two roads are not comparable. I am quite willing to admit that it is almost impossible to arrive at a basis for an accurate comparison of railway figures, but I believe that if honourable members will read in Hansard the tables presented by the honourable gentleman from Edmonton they will find that as to the items with which he deals he has made a comparison that may be very useful to this House and the whole country. Now, I am sure all honourable members are anxious for the success of the Canadian National Railways. I do not think for a moment that the honourable gentleman from Edmonton had in mind any desire to discredit the nationally owned system, but it seems to me that every member of Parliament has a right to criticize extravagances in the expenditure of public moneys.

Hon. Mr. CASGRAIN: Especially in the Maritime Provinces.

Hon. Mr. BLACK: Yes. We are economical down there and we believe in criticizing over-expenditure. I do not believe that in any branch of government more money has been wasted than on the Canadian National Railways. After all, it is a branch of Government. I agree that there is among the employees on that railway to-day an esprit de corps that did not exist before the present management. That is an excellent thing. But from one end of the country to the other we have railway hotels that are not paying—

Hon. Mr. STANFIELD: The politicians are to blame more than the management.

Hon. Mr. BLACK: —and will never pay in the lifetime of any member of this Chamber. Money is still being spent in constructing hotels. Those expenditures should not be made, and would be stopped forthwith if this Parliament did its duty. While I admire the good work that has been done by the management of the Canadian National Railways, I say without doubt that the management has been and is extravagant. And this is not to be wondered at, because the management has been able to rely, in the almost total absence of criticism, upon the full financial resources of the Dominion of Canada, and because the Board of Directors have not had to risk their business reputations when considering the budgets for the system. Could anyone who had the same opportunity of calling on an unlimited purse withstand the temptation to be extravagant?

I intend to study the figures that have been presented this afternoon more closely than I was able to do when listening to them. As I have already said, I believe the comparisons that were made will be very useful to this House.

Hon. Mr. SHARPE: Hear, hear.

Hon. Mr. BLACK: I trust the figures will be brought to the attention of a committee of the other House, to whom, I believe, they would be very useful. Whether the Canadian National Railways have a longer mileage than the Canadian Pacific, and whether a large percentage of that mileage is not revenue producing, it is an important fact that we have in the system an investment of more than two billions of dollars and we are paying annual interest charges of $80,000,000 or $90,000,000. A further important fact is that almost all departments of the system—whether the railroad itself, or the hotels, or the steamships—are not breaking even.

In this connection I may say that I saw in an Ottawa paper not long ago a statement to the effect that certain hotels of the Canadian National System were paying, but right there, in black and white, were figures that proved the opposite. That kind of deceit—I do not think it is intentional, and I withdraw that word—that kind of misrepresentation is the worst thing that can happen, because any person reading such a statement might think that five hotels are paying and seven or eight are not, whereas the figures show that not one of them was paying its way last year, and that some of them lost enormous sums of money.

I submit that with these facts in our minds we ought, as the representatives of the Canadian public, to consider very seriously any thoughtful statements put before us, such as the one submitted by the honourable gentleman from Edmonton (Hon. Mr. Griesbach). I can only say that I hope each and every member will read that statement and digest it. Then perhaps our idea of the management will be different from what it is at present. Is it not a significant fact that in another place question after question has been asked as to the amounts paid in salary, not to the head of the whole system, but to the heads of its various departments, yet the question has been side-tracked every time?

Hon. Mr. CASGRAIN: Did the shareholders of the Canadian Pacific Railway ever get such figures?

Hon. Mr. BLACK: I do not know, but every shareholder of the C.P.R. has a right to ask for the information.

Hon. Mr. CASGRAIN: It has always been refused, for forty years.

Hon. Mr. BLACK: I do not believe it can be refused legally. They may succeed in their refusal, but whether they do or not, I say that the people of Canada, who own the Canadian National System and pay the expenses of it, have a right to know what it costs to run it, and how many hundreds of thousands of dollars are being paid to the heads of its departments, or, for that matter, to the heads of any departments of the Government. They have a right to know, and they do know, what a Minister of the Crown receives; they have a right to know, and do know, what a Deputy Minister is paid; and they have an equal right to know what is paid to the head of the Canadian National Railway System or any of its departments, or to other employees of our railway. The fact that such information is not given to us, that it has been refused us year in and year out, is a pretty clear indication that too much money is going into overhead, and I say that if no other comparison is worth having, one giving the relative costs of the head office staffs of the Canadian National Railways and the Canadian Pacific Railway is well worth consideration by this House.

HOSPITAL SWEEPSTAKES BILL

REPORT OF SPECIAL COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to the consideration of the Report of the Special Committee to whom was referred Bill E, an Act with respect to hospital sweepstakes.

Hon. G. H. BARNARD: Honourable members, since this Bill received its second reading and this Order was placed on the Order Paper, I have received a good many communications, some in favour of and some against the measure. One in particular, which was sent to the members of this House, I think as a circular, was signed by Commissioner James Hay of the Salvation Army in Toronto, and as it probably summarizes most of the arguments which will be adduced against the passage of the Bill, I will deal with one or two statements contained in it.

The first objection raised by the Commissioner is that the passage of this Bill will have the effect of drying up the wells of charity. I will quote the language of the Commissioner, because it is much more picturesque than any that I could use. He says that "it is prostituting the noble quality enjoyed by most Canadians, wherein we listen to the call of need and freely give of our ability." It seems to me that there is a very short answer to that contention. In reply I would say that if every hospital in the country were supplied with all the means that it could by any possible stretch of the imagination require for the carrying on of its work, there would still be thousands upon thousands of avenues through which the charitable would be able to exercise the noble quality of listening to the call of need and freely giving, and not the least of those would be the institution of which the gentleman who writes this letter is a very worthy official.

The next proposition—and this is the gist of the whole opposition to the measure, I take it—is that it would encourage the spirit of gambling in this country—a country where the stock exchanges are open six days a week for the purpose, largely, of enabling the public to gamble in stocks on margin; where the wheat pit is open six days in the week for the purpose of allowing the public to gamble in wheat; where continuously for five or six months in the year the race tracks are open, from which the provinces take a percentage of the money that goes through the betting machines; where every newspaper from Halifax to Vancouver publishes daily the form charts of the different horses, the betting odds, the advance information as to entries, and the results, all for the purpose of giving the public full information to enable them to bet intelligently, if you like—or otherwise if you do not. I say that to prohibit a person from buying one, two, three, or half a dozen lottery tickets in the course of a year, in such a country, is surely straining at a gnat and swallowing a camel.

Some people take great objection to betting. To my mind betting in itself is not wrong unless the consequence of it is to impoverish the person making the bet. I think I can demonstrate to the House that certain bets are not only not wrong, but are highly prudent and praiseworthy. Who in this House would say that it is a reprehensible act for a traveller who is about to take a journey to pay fifty cents for an insurance ticket in addition to the price of his railway ticket? Yet what is the transaction but a bet of $5,000 on the part of the insurance company to fifty cents on the part of the traveller that

he will not be injured? Who would say that there is anything wrong or imprudent in a man putting fire insurance on his house? If he buys a policy of $1,000 on his house, the transaction, analyzed, is nothing more nor less than a bet that within twelve months of the payment of the premium his house will not burn down, the odds being the face value of the policy as against the premium. I think my legal friends will bear me out when I say that it is not very many years ago that the courts were inclined to hold—and did hold, if I am not mistaken—that an insurance contract was contrary to the Betting Act, being a wagering contract. I am glad to say that since that time the courts have seen some light.

Now, what is the situation? The hospitals in my province are virtually starving for want of money, and I doubt very much that they are better off in other parts of Canada; certainly they are not in the more sparsely populated parts. I have here a sheaf of telegrams, with which I am not going to weary the House unless someone wishes to hear them read, from eleven or twelve different hospitals in the Province of British Columbia, all asking for the passage of this measure. There are thousands upon thousands of dollars going out of this country every year for sweepstake tickets. Why should we not divert the flow of that money to our own uses, particularly as it is contributed by people who might in the ordinary course of events give nothing of their own accord to our hospitals at home? Whatever the fate of this Bill, the condition I have mentioned is not going to change, the simple reason being that the people of the country want these sweepstakes. Otherwise they would not be spending their money on them. Why, as honourable members of this House know perfectly well, in practically every social club from Vancouver to Halifax there are at least two or three sweepstakes a year, all contrary to the Criminal Code; and the other day we had the edifying spectacle of a high official in this country, a high judicial official, winning a prize in one of those sweepstakes.

Hon. Mr. HUGHES: We did not hear the latter part of the last sentence.

Hon. Mr. GORDON: We did not hear the name.

Hon. Mr. BARNARD: I did not mention any name.

Hon. Mr. CASGRAIN: The honourable member said it was a judge.

Hon. Mr. BARNARD: No, I did not.

Hon. Mr. DANDURAND: The honourable gentleman lowered his voice as he was finishing his remark.

Hon. Mr. BARNARD: A high judicial official won a prize in one of these sweepstakes.

Hon. Mr. BUREAU: That does not mean a judge.

Hon. Mr. BARNARD: Not necessarily. To show how general is this desire for lotteries, sweepstakes, gambling, or whatever you like to call it, I may mention an incident that occurred the other day. I went into a store on Sparks street to buy something, which I will mention with bated breath because of the delicate susceptibility of some of my listeners. I do not like to mention it, but I wanted a pair of garters.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. BARNARD: I wanted silk garters.

An Hon. SENATOR: For whom?

Some Hon. SENATORS: Oh, oh.

Hon. Mr. BARNARD: I was shown a pair taken out of a very fine brass-bound cedar box. The garters were worth fifty cents, and the box was worth five dollars, and the proprietor of the store said: "If you buy a pair of these, you may win the box, because when the last pair is sold out of the box we draw, and whoever has the lucky number gets the box." I took a chance, but I didn't get the box.

Right Hon. Sir GEORGE E. FOSTER: Did you get the garters?

Hon. Mr. BARNARD: I got the garters. Now, as I say, whatever the fate of this Bill, this practice is going to continue. By killing the Bill you do not stop the people from buying sweepstake tickets, but by passing it you legalize a custom that is general in the country and will provide ample funds for what are considered by all to be necessary and deserving institutions.

Right Hon. Sir GEORGE E. FOSTER: Before my honourable friend stops, would he give some information to lay members as to what a sweepstake is, and how it is operated? I am puzzled.

Hon. Mr. CASGRAIN: Innocence abroad!

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: The right honourable gentleman is only pulling your leg. He knows more about it than you do.

Hon. Mr. BARNARD: I think my right honourable friend is quite well aware of what a sweepstake is. He is really altogether too intelligent to be unable to understand it. He has perhaps a far better idea of it than I have myself.

I beg to move the adoption of the report.

Right Hon. Sir GEORGE E. FOSTER: Honourable members, I was absolutely serious in asking my honourable friend for information. A Bill is brought in to establish sweepstakes to assist hospitals. I do not know just what a sweepstake is, or how it is operated. If my honourable friend were properly sympathetic he would give us from his practical knowledge and his evident intimate co-operation with this animal, whatever it may be, information that would help us to come to a conclusion as to the nature of the gamble. But, as he prefers to let me go my own way, I shall have to approach this subject without the information; and in some respects that throws me into the discard. Probably other members of the Senate have from their own practical experience been able to come to a conclusion which satisfies them.

I think that the situation as we come to view it at the present time is a little unfortunate, because of the speed with which the measure introduced by my honourable friend was passed through the different stages up to its reference to a special committee. My honourable friend has correctly stated that this Bill has been given the second reading, but I am certain that it did not receive the attention which it should have received at that stage. Not only did it get the second reading, but it probably would have had the third reading had not His Honour the Speaker put a motion for reference to a committee. My honourable friend was then stricken by conscience, or something of that kind, and apparently thought it would be better to transfer some of the responsibility to a committee.

Now, it seems to me that this Bill introduces a principle which we should not approve without very careful consideration. I intend to examine the matter, even though I have to take up a little time in doing so. I shall not deal only with the phase referred to in the letter which my honourable friend read, from the representative of the Salvation Army. I do not agree that the question ought to be decided out of regard only for the principle referred to in the protest of the Salvation Army, and by the different churches or societies that have expressed disapproval of the measure, for I think we should consider it upon a wider basis than that.

My first point is that the Bill proposes to reverse the legal position in which lotteries have been placed virtually since Confederation. That position is defined by the Criminal Code. Now a Bill which seeks to make such a change as that is by no means unimportant, and demands very careful thought. The assumption in favour of the Bill at first was that the revenues from sources that had been relied upon for the support of hospitals in British Columbia were no longer sufficient. It was understood that neither the Provincial Government nor the municipal authorities would increase their grants, and that private subscriptions were not large enough to provide for the adequate maintenance of hospitals; and, further, that the proportion of patients able to pay for the services they received was diminishing. I was curious as to whether this was the opinion simply of my honourable friend, or of the general supporters of hospital work in British Columbia. I do not know that up to the present moment a single petition has been presented in this House supporting this opinion. We have heard from no hospital, no municipality, no governmental administrator.

My honourable friend presented a Bill which, had it been passed, would have eliminated from the Criminal Code the only barrier against lotteries of all descriptions in any industry, trade or society. I am sure that if honourable members had realized that this was one of the objects of the Bill they would have hesitated before agreeing to the second reading. Now, the committee has recommended that the barrier should be lifted only for British Columbia, in so far as it suits the purposes of that province to arrange a lottery system for its hospitals.

Hon. Mr. BARNARD: I am sure the right honourable gentleman does not wish to misstate facts.

Right Hon. Sir GEORGE E. FOSTER: I do not wish to do that.

Hon. Mr. BARNARD: In the first place, the Bill is not confined only to British Columbia; and in the second place, notwithstanding the section which was amended by the committee, if the original Bill had carried, lotteries other than hospital lotteries would still have been illegal in Canada.

Right Hon. Sir GEORGE E. FOSTER: As I read the Bill, that section of the Criminal Code which prevents lotteries would have been completely eliminated.

Hon. Mr. BARNARD: There was to be complete elimination of a section which allows an informer to sue the winner for the prize. That was all. The law regarding the holding of lotteries in Canada would have remained precisely the same as it is now, except with regard to hospital lotteries.

Right Hon. Sir GEORGE E. FOSTER: Section 6 of the Bill reads as follows:

Subsection three of section two hundred and thirty-six of the Criminal Code, chapter thirty-six of The Revised Statutes of Canada, 1927, is repealed.

And this subsection to be repealed reads:

Every sale, loan, gift, barter or exchange of any property, by any lottery, ticket, card or other mode of chance depending upon or to be determined by chance or lot, is void, and all property so sold, lent, given, bartered or exchanged, is liable to be forfeited to any person who sues for the same by action or information in any court of competent jurisdiction.

Now, in my lay opinion, the elimination of that clause would have been effective not only with regard to hospital lotteries, but also to lottery systems in any business, trade, enterprise or association.

As I have said, we were given no intimation of a popular desire in British Columbia for a Bill of this kind. Nor was there any evidence of such a desire by the people of any other part of Canada. Therefore it seems to me that there is lacking an indication of that popular approval which should be required before such an important amendment is made to the Criminal Code.

The remarks made by my honourable friend from Victoria (Hon. Mr. Barnard) this afternoon, in common with those made when the Bill was introduced here, would indicate that the measure has nothing to do with gambling. The honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) supported the Bill by an argument to this effect: "If I buy a ticket, subject to a discount, the ticket is a matter of contract between me and the seller. When I buy it he offers me a discount upon it. What is wrong with that? Nothing. Well then, if the seller disposes of thousands, or tens of thousands, of tickets and agrees to give a discount on each of them to someone who shall be chosen out of the large number of buyers, where is the gamble? It is merely an aggregation of such discount as would be coming to me as an individual purchaser, and it is perfectly harmless." Well, it seems to me that argument rests on a weak foundation. In the first place, there is no contract between the buyer and the seller of the ticket that the buyer shall get a discount. So the argument in that respect falls to the ground.

Then my honourable friend from Hamilton argues in this way: "I have a certain amount of taxes to pay, and the tax-gathering authorities say to me, 'If you pay your taxes on Monday you will get a certain discount.' Do you call that gambling? But I should be gambling just as much in that way as if I purchased a sweepstakes ticket." Now, that argument also seems to me to be badly founded. There is a certain limit of time within which taxes have to be paid, but the taxing authorities say, "If you will pay one month, or two months, as the case may be, in advance, we will give you a certain discount." That is not a matter of gambling. There is no comparison between a transaction of that kind and a lottery. Taxes are a matter of debit and credit. The municipality says, "If you pay in advance you shall have a discount." My honourable friend argues: "If the time for receiving a discount expires on a certain Monday, and I pay my taxes on Monday, I get a discount, but if I do not pay them until Tuesday morning I get no discount; so that is a gamble, comparable to the gamble in a lottery." I do not think that argument can be upheld. What is there in the purchase of a lottery ticket comparable to the payment of taxes? I cannot find anything. There is no contract. In common with tens of thousands of other people, one buys a ticket, and whether the outcome is to be favourable or unfavourable is not by any means dependent upon one's will or act. In the matter of the payment of taxes the result is dependent entirely upon one's own act. If you go in on Monday morning you will get your discount; if you do not go in on Monday morning you will not get it. The element of chance is not involved. The inference is that you may not be able to go in on Monday morning—that something may intervene, and that consequently it is a gamble. That is one of the specious arguments advanced to persuade the Senate to pass this Bill.

Hon. Mr. WILLOUGHBY: Move the adjournment of the debate.

Right Hon. Sir GEORGE E. FOSTER: I am prepared to go on with it after eight o'clock.

Hon. Mr. WILLOUGHBY: We are not going to sit to-night.

Right Hon. Sir GEORGE E. FOSTER: Very well; then, I move the adjournment of the debate. I was under a misapprehension.

Hon. Mr. CASGRAIN: Before the debate is adjourned I should like to compliment the right honourable gentleman upon the very good argument he is making in reference to something that he knows nothing about.

Right Hon. Sir GEORGE E. FOSTER: I am glad to hear that. I hope to have my honourable friend with me.

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

GOVERNMENT ANNUITIES BILL

THIRD READING POSTPONED

Hon. Mr. WILLOUGHBY moved the third reading of Bill D1, an Act to amend the Government Annuities Act.

Hon. Mr. DANDURAND: I had intended during the course of the debate suggesting that we should send this Bill to a standing committee so that we might hear from the experts of the Department. I did not follow out that idea; I contented myself with saying yesterday that in this matter I was in the hands of the experts of the Department, because it was an actuarial question which went beyond my own knowledge. Since we have reached the third reading stage, I would ask the honourable leader of the Government whether this Bill was submitted to the Department of Insurance. I know that the Annuities Branch has its own experts, but the Department of Insurance has a complete view of insurance matters in Canada, and controls the insurance companies that issue annuities, and it seems to me that we should have before us the opinion of that department as to the propriety of this Bill, based upon the representations that have been made. If my honourable friend would postpone the third reading of the Bill in order to secure that information, we could give it the third reading to-morrow or later.

Hon. Mr. MURDOCK: Would the honourable gentleman look at page 195 of yesterday's Hansard? The honourable the Minister of Labour said:

It is apparent to the Department—

Hon. Mr. CASGRAIN: What department?

Hon. Mr. MURDOCK: The Labour Department, I assume.

It is apparent to the Department and to the Government, who have had the matter reviewed by the Superintendent of Insurance, that the suggestion contained in this Bill is sound from a business standpoint, and that it will not debar any man of moderate means from the enjoyment of the benefits of the legislation.

Hon. Mr. DANDURAND: That statement had escaped my attention.

Hon. Mr. WILLOUGHBY: I have a memorandum of the Superintendent of Insurance, which was left with me by the honourable the Minister of Labour, who had arranged to go west. The Bill has been submitted to Mr. Finlayson, the Superintendent of Insurance, who says:

Re amendment to the Government Annuities Act. The Bill now before the Senate is, in the opinion of this Department, a move in the right direction. The only suggestion we have made is that it should be followed by an increase in the rate of premium chargeable for the annuities, whether large or small in amount. Our investigation goes to show that even on the reduced annuities the Government will sustain a substantial loss on the present rates.

Hon. Mr. LEMIEUX: I should have liked to get from the Minister of Labour the reasons which induced the Government in 1920 to raise the amount of the purchasable annuity from $1,200 to $5,000. I had expected that he would give us that information before the third reading.

Hon. Mr. WILLOUGHBY: I was not aware that such a request had been made of the Minister.

Hon. Mr. LEMIEUX: The question was referred to yesterday, or on the previous occasion when the Bill was discussed. Perhaps I did not make myself very clear. I referred to the fact that the amount of the purchasable annuity had been raised from $1,200 to $5,000. I do not wish to impede the passage of the Bill, but I should like to have that information. I think the change was made under the Borden Government, or the Meighen Government. I should like to know what reasons were given then by the Government, assisted by the Department of Insurance and the Superintendent of Insurance, for raising the amount from $1,200 to $5,000. The gap is a wide one, and there must have been some reason for the change.

Hon. Mr. WILLOUGHBY: The only answer I could make to the honourable gentleman would be to suggest that he adjourn the debate. I hope that will not be necessary. The reasons would be a matter of record, and it would require only a little industry to turn up the information desired.

It struck me that one very good reason for reducing the amount from $5,000 to $1,200, or even less, was that anyone who can buy a $1,200 annuity is not by any means a pauper. The reduced annuities provide people

of humble circumstances with an investment which has the Government behind it. If the honourable gentleman presses his inquiry we shall have to let the third reading stand.

Hon. Mr. LEMIEUX: I am asked by several fellow members to press for the information. Could the answer be given at the next sitting of the House?

Hon. Mr. WILLOUGHBY: I should think so. I shall make an effort to secure it, either by reference to Hansard or by inquiry of the Superintendent of Insurance, who can probably give the reasons for the change referred to.

Hon. Mr. LEMIEUX: That was in 1920. It appears very strange that in 1931 the same Department should come before us and say that this is costing too much. I promise my honourable friend that if he secures the reason from Mr. Finlayson I shall be perfectly satisfied.

Hon. Mr. WILLOUGHBY: We will let the third reading stand until to-morrow.

The motion for the third reading stands.

JUDGES BILL

AMENDMENT OF ENGLISH VERSION

Hon. W. B. WILLOUGHBY: Before the House adjourns, may I call attention to a rather curious occurrence in connection with the Judges Bill as it passed this House. There was a slight clerical change made in the Bill after it came from the House of Commons. On page 1, line 7, we struck out the words "may be," which our new acting law officer considered to be ungrammatical, and we substituted the words "has been." The honourable the senior member for Ottawa (Hon. Mr. Belcourt) suggested substituting those words, and I acceded to his suggestion, because it was exactly in accordance with my opinion. It turns out, upon reference, that the French version of the Bill is quite correct, containing as it does the words "ou a été," and that the amendment that we made should apply only to the English version. The Bill is now in the hands of the Clerk of the House, as Clerk of Parliament, and for the present we have no control over it. We could, however, if it is the wish of the House, direct that the change refer solely to the English version. I bring the subject to the attention of the Senate in order that the Clerk may receive informal instructions to apply the Senate amendment to the English version only.

Hon. Mr. DANDURAND: The amendment would apply only to the English version?

Hon. Mr. WILLOUGHBY: Yes.

Hon. Mr. DANDURAND: The French edition is correct?

Hon. Mr. WILLOUGHBY: Yes. I think my remarks on Hansard will be a sufficient instruction to the Clerk.

Hon. Mr. DANDURAND: They will be his mandate regarding the change.

Hon. Mr. BUREAU: The Bill should go to committee, and someone should certify that we made the change; and then the Clerk should enter it in the Minutes of the Proceedings.

PRIVATE BILL

FIRST READING

Bill 52, an Act to amend the Board of Management of the Canadian District of the Evangelical Lutheran Joint Synod of Ohio and other States, and to change its name to the "Board of Management of the Canadian District of the American Lutheran Church."—Hon. Mr. Griesbach.

COPYRIGHT BILL

FIRST READING

Bill 4, an Act to amend the Copyright Act.—Hon. Mr. Willoughby.

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

THE SENATE

Thursday, June 11, 1931.

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

Prayers and routine proceedings.

COPYRIGHT BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 4, an Act to amend the Copyright Act.

He said: Honourable members, the leader of the other side (Hon. Mr. Dandurand), the honourable senator from De Salaberry (Hon. Mr. Béique) and myself had a consultation as to speeding up the passage of the Copyright Bill. It is known to every member of the House, I think, that it is highly desirable that this Bill should be passed immediately, so that it may receive the Royal Assent and come into force in time to permit of Canada's adherence to the Rome Convention by the first of next month, and there should be no delay whatever, if it is possible to avoid it.

I may add that the fact that honourable gentlemen who have objections to clauses of the Bill have waived the right to raise those objections now does not prevent them from being taken up at another session, when the matter can be brought before us at an earlier stage.

Hon. Mr. LEMIEUX: I do not wish to interfere with the speeding up of the adoption of this Bill, but I think that we are entitled to a short explanation from the leader of the House as to the principal features of the proposed measure.

Hon. Mr. FORKE: Honourable members, I am not at all sure that I should like to be called upon to deal with this Bill at the present time. I do not desire to interfere with or block business in any way, but this is a very important and very controversial Bill, and I should like to have a little time to study it before being called upon to render a decision upon it.

Hon. Mr. WILLOUGHBY: I can only suggest, in answer to my honourable friend, that if we were to discuss the Bill to-day it would be impossible to take advantage of the presence of the Acting Governor General when he comes here for the purpose of giving the Royal Assent.

Hon. Mr. BEIQUE: It is the intention to take up the whole subject early next session.

Hon. Mr. WILLOUGHBY: At the beginning of the session.

Hon. Mr. BEIQUE: Perhaps this Bill should be allowed to go through as it is, on the understanding that at the beginning of next session we shall take up the subject by introducing a Bill in this House. Several amendments should be made to the Act, but to go into that matter now would be to defeat the object which the honourable leader of the House has in mind.

Hon. Mr. WILLOUGHBY: It is impossible to go into it now.

Hon. R. DANDURAND: Honourable senators, this Bill, providing amendments to the Copyright Act, is a very important one. The main object which the Secretary of State has had in mind has been the passage of certain amendments which would permit Canada to adhere to the Rome Convention. The other House appointed a special committee, who gave considerable study to this matter. My view is that though the measure is a forward step for the protection of authors, it leaves them in a very weak position in the event of their finding it necessary to establish their rights before the courts. I have heard complaints on both sides of the ocean regarding the laxity of our legislation in protecting the rights of authors, and I find that this Bill does not afford them sufficient protection. I had intended, and so had my honourable friend from De Salaberry (Hon. Mr. Beique) and perhaps some other honourable members, to bring forward some amendment to provide sanctions giving greater protection to the beneficiaries of this measure. But we were faced with this difficulty. In the first place, it is necessary that our adherence to the Convention should reach Rome not later than the 1st of July, and consequently we are left with very little time to go seriously into the matter.

Hon. Mr. BEIQUE: And the chief object should be to have our ratification reach there in time.

Hon. Mr. DANDURAND: That is the Government's principal object. If we entered into a minute discussion of the Bill, clause by clause, we might prevent the realization of that object. Furthermore, it has been intimated that if we move amendments to provide sanctions for the protective features of the Bill we shall undoubtedly encounter hostility from the other Chamber and some time will be needed to reconcile many of the members of that Chamber to these amendments; also that the Government will not undertake to sponsor in that Chamber the amendments we should like to make. The Canadian delegates attached their signatures to the Rome Convention last year, and, as it is important that Canada should officially signify its adherence within the time limit that I have mentioned, my honourable friend from De Salaberry (Hon. Mr. Beique) and I have decided not to oppose the passage of this Bill. In taking this stand, however, we declare that the Copyright Act needs an overhauling, and we hope that the necessary amendments will be introduced next year by the Government with a view to giving efficient protection to authors, composers and producers.

Hon. G. LACASSE: Honourable senators, I venture to add a few remarks to those just made by my honourable leader (Hon. Mr. Dandurand). While realizing that it is necessary to act in this matter as quickly as possible, I humbly submit that we should not unduly delay Canada's official adherence to the Rome Convention if we referred the Bill to a special committee. That committee could sit to-morrow, and the passage of the Bill would probably not be held up more than

forty-eight hours. I know that a large number of newspaper publishers in Canada are vitally interested in the copyright problem, and I venture to state that most of them will be sorely disappointed if we do not carry some of the provisions of this Bill a step farther. I therefore suggest that there should be a reference to a special committee, which could study the whole problem and, if necessary, hear evidence from interested parties.

Hon. Mr. WILLOUGHBY: By way of answer to the honourable gentleman, I may say that I happened to be a member of the committee that considered a previous Copyright Bill that was before this House. The copyright question is one of the most contentious of all matters that come before Parliament.

Hon. Mr. BEIQUE: And one of the most difficult.

Hon. Mr. WILLOUGHBY: That committee to which I am referring held a number of sittings, and a great many persons interested in the matter took advantage of the opportunity to express their opinions.

Hon. RODOLPHE LEMIEUX: Honourable senators, I wish to protest against the procedure that is suggested. I do not desire to unduly delay the Bill at all, but I have received so much correspondence dealing with this subject that I should have liked a fuller discussion.

Hon. Mr. LACASSE: Hear, hear.

Hon. Mr. LEMIEUX: We have not had even the features of the Bill explained to us. If, as my honourable friend the leader of this side (Hon. Mr. Dandurand) says, the principal object of the Bill is to confirm the adherence of Canada to the Rome Convention, I say aye. But if there are other provisions of importance in the Bill, I think it is quite improper for the Senate simply to register, without further consideration, its approval of what the House of Commons has done, even though a great deal of work on the matter has been done by a committee of that House.

Hon. Mr. LACASSE: Hear, hear.

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

THIRD READING

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

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

THE ROYAL ASSENT

The Hon. the Speaker informed the Senate that he had received a communication from the Secretary to the Governor General, acquainting him that the Right Hon. F. A. Anglin, acting as Deputy of the Governor General, would proceed to the Senate Chamber this day at 4.30 p.m. for the purpose of giving the Royal Assent to certain Bills.

BANKRUPTCY BILL—PRIORITY OF CLAIMS

REPORT OF COMMITTEE

Hon. F. B. BLACK presented the report of the Standing Committee on Banking and Commerce on Bill 28, an Act to amend the Bankruptcy Act (Priority of Claims), and moved concurrence therein.

He said: Honourable senators will remember that at the time this measure was introduced here I explained briefly the principle of it. The Standing Committee on Banking and Commerce recommends a few technical amendments, which do not affect the principle, but merely make the wording of some clauses a little more grammatical. The Bill refers solely to priority of claims.

The motion was agreed to.

Hon. Mr. BLACK moved that the Bill be placed on the Order Paper for third reading to-morrow.

Hon. F. L. BEIQUE: Honourable senators, I had intended to present a number of amendments to this Bill, but I changed my mind after reading the discussion on the measure in another place, and particularly the statement of the honourable the Minister of Justice that he would bring down a number of amendments to the Bankruptcy Act at the next session. However, it was suggested to me that I should give to the House the text of my proposals. I am willing to do that, and as I need to give further consideration to some of the clauses, I suggest that the third reading be postponed until next week.

Hon. Mr. BLACK: I am quite agreeable that the Bill should be put down for third reading on Tuesday next, and I so move.

The motion was agreed to.

PRIVATE BILLS

FIRST READINGS

Bill J1, an Act respecting the Eastern Telephone and Telegraph Company.—Hon. Mr. Tanner.

Bill K1, an Act to amend the Act of Incorporation of the Army and Navy Veterans in Canada.—Hon. Mr. Griesbach.

Bill L1, an Act to incorporate the Morris Finance Corporation.—Hon. Mr. Tanner.

IDENTIFICATION OF ALIENS BILL

MOTION FOR SECOND READING

Hon. Mr. CASGRAIN moved the second reading of Bill A1, an Act to provide for Alien Identification Cards.

He said: Honourable members, I believe that this is the kind of question—

Right Hon. Sir GEORGE E. FOSTER: If my honourable friend will allow me, I should like to say that I do not think this Bill has been distributed. I turn to my file and do not find it there. I am sure my honourable friend would not wish to proceed to the second reading of a Bill which had not come to the attention of honourable members.

Hon. Mr. CASGRAIN: Here it is.

Right Hon. Sir GEORGE E. FOSTER: Then it is out of order on the file. If it is not too much to ask—

Hon. Mr. CASGRAIN: It is a great deal to ask. I have been waiting for about two weeks to make this speech, and I should like to make it now if it is possible to do so.

I believe that this is the kind of question to which the Senate should devote some of its valuable time, and I know that honourable gentlemen will give to it all the attention that the pressing Bolshevik peril deserves. We in this House are in a better position to study such questions than are the honourable members in another place. In the other House, members, through local influence, may be obliged to attend more to local wants, but we in this House are free to attend to measures which interest the country as a whole. The honourable members who compose this House have nearly all had a long training in public affairs, and are well qualified to deal with important questions of this kind. The permanency of our tenure of office in this Chamber, which lasts for the full term of our natural lives, is an incentive to most of us to study the larger problems, because it gives us a chance to see some of the measures and reforms we advocate carried out before we pass from the political arena. The same cannot be said of the Commons. Some able man who might have been capable of rendering great service to his country may have his political career nipped in the bud because the particular constituency he represents may not like the party with which he is affiliated, or may prefer a party that has the good fortune to have for its leader a man who enjoys the esteem and confidence of almost the entire electorate of the country. A very good and able man may be driven out of public life, and fall almost into oblivion, not through any fault of his own, but simply because the party to which he is opposed has at its head an abler man than the party with which he is affiliated. Never before have members of the Senate of Canada been called upon to render as great a service to the country as the one that I shall presently ask them to perform. By their authoritative voice they may awaken the whole country to the perilous position in which the quinquennial plan places mankind. This time of depression, when people are dissatisfied, and unemployment is rampant in the United States and in Canada, is the very time for the Bolsheviks to reap their harvest. Why, Sir George Paish only two or three days ago actually said, as reported in the Montreal Gazette, that things were looking very much like revolution in the United States and in this country on account of the great unemployment now existing.

It is with the greatest pleasure that I heartily congratulate the Prime Minister of this country upon having banned Russian wheat and coal from Canada. I only hope that he will go one step further and will see that, at least for the present, we cease to have any dealings at all with Russia. I have a great respect for the Prime Minister, because I remember full well that on one occasion he had the courage to rise in his place, with the Hon. W. F. Nickle, and oppose his own party when they proposed giving $45,000,000 for half of the worthless stock of Mackenzie and Mann. I was asked to speak against that proposal. There was in this House a Liberal majority, and it is no credit to my own party that some of the very people who in the morning had asked me to speak against the Bill voted in the afternoon in favour of it, and some others left the House. Since that day, honourable gentlemen, I have had my own opinion of the sincerity of public men on either side. I spoke all forenoon against that infamous $45,000,000 proposal, and I was told I had done very well.

Hon. Mr. HARDY: Piled up the majority.

Hon. Mr. CASGRAIN: "Well," I said, "I have not got to the Bill yet," and, as I was sincere, I was going to speak against the Bill and vote against it. What had taken place I do not know, and I am not sure that I care to know. I am giving you the facts, and they can be verified by anyone who cares to look up Hansard.

So that you may appreciate the Bolshevik peril, may I say that Bolshevism is a monstrous political and social system whose aim is the total destruction, by a world-wide revolution, of the present social state, together with its moral and religious ideas, and the creation of a Communistic world based on materialism and atheism. Any apparent deviation of this aim is of a tactical order, caused by the necessity of gaining time or for the purpose of deceiving us. The aim remains the same, the Bolshevisation of the world. Lenin himself declared it when he said to his followers:

> Our victory in Russia will not be complete until the proletariat of the world has conquered power. We are doomed to perish if revolution does not break out in other countries.

At this time, when distress is so great, the Bolsheviks are making an extra effort. Sir Wilfrid Laurier it was who said that he knew of no sadder sight than that of a man, able and eager to work, leaving his home to seek employment and not finding anything to do. As he walked through the city the noise and activity, perhaps better than alcohol, made him forget his hunger. At noon he did not return home, knowing that perhaps his wife and children were dividing the last morsel of bread among them, and at night he came back weary and footsore, again to find the children hungry. The good wife, without any sign of reproach, would meet him and tell him that the children had had to go to bed without supper. They resigned themselves for that night. The next day prospects were no better. Imagine, honourable gentlemen, the condition of a man in such circumstances. How would any of us feel if in our homes there were nothing to give to our children, and this through no fault of our own? It is then that people are an easy prey to the —Moscow agent. How does the unemployed man feel when he sees his former employer passing by in a beautiful Rolls Royce car, the interest on the cost of which would keep himself and his family comfortable for all time? It is not hard to understand his feeling of dissatisfaction and to realize that he will easily fall into the hands of any agitator who happens along. But there is something still worse than hunger, as the workers in the Salvation Army or the St. Vincent de Paul Society know. The St. Vincent de Paul Society is the Catholic Salvation Army. When, during one of our winters, they go into a house in which there is no fuel, what do the poor people say? They do not complain so much about having nothing to eat, but they say: "Can you give us a little coal or wood? That is what we want." As soon as there is a little heat in the house they seem to revive, and then they ask for food. When we are facing such a condition of distress—and we shall probably face it next winter—the Government and every one of us should do everything possible to prevent the terrible menace of Bolshevism.

The Government of Russia pretends that it has nothing to do with the Third International. It has organized what is called the "Komintern." This word is an abbreviation of two Russian words, namely, Kommunicheski Internationale. This organization was created by Lenin himself. As the Russian Government cannot act in all the countries of the world, it maintains in them, at great expense, numerous agents. This country, honourable members, is swarming with them. You do not know that they are here; they keep themselves well hidden. Nevertheless, they are pursuing incessantly and relentlessly a formidable subterranean work of destruction, of which the great indifferent mass of the public only perceives from time to time some indication, to which it gives but slight passing attention. These agents spy, exert secret influence, buy consciences, create Communist cells in the factories, workshops, banks, industrial enterprises, the railways and State administrations, and endeavour to sap all ideas of honesty and morality, respect for parents and marriage, patriotism and religion, all with a view of inciting everywhere hatred and class war and fanning every discontent; in a word, waging war against the internal security of states and the principles of law—civil, moral and religious—which lie at the foundations of the modern state.

Now listen to what has taken place in Spain. It may be thought that it was just a revolution against Alfonso XIII, but it was nothing of the sort. It had been contemplated by the Bolshevists for a long time. I have here a summary of what happened, which shows that the Communist International at Moscow had been for some years preparing for the Spanish revolution.

In February, 1922, a delegation of the Spanish Communist Party presented itself before the enlarged Executive Committee of the Communist International at Moscow, and

it was decided that Spain should henceforth be represented by two delegates on this committee.

In 1923, eight years ago, the Fourth World Congress of the Communist International met at Moscow and the Spanish delegates declared that the Spanish Communist Party was prepared for the struggle and was capable of drawing the working classes into it. Eight years ago was exactly the time when there was so much rioting in Spain that King Alfonso called Primo de Rivera and made him a sort of dictator, a Mussolini, in Spain, and with the support of the army, which remained unaffected, he was able to keep order for six or seven years. If there is anything that will keep the Communists quiet it is an army of loyal troops well supplied with ammunition. We talk of disarmament, but I think it would be very imprudent for the countries near Russia to think of disarming before they know more about the power of the huge army in Russia to-day.

The Communist International then began to dictate its orders to the Spanish Communist Party and instructed it to draw into the movement the anarcho-syndicalist elements as well as the working classes and to reorganize the party on the basis of factory cells, with the result that the party became exclusively proletarian.

In 1930 the party launched an appeal to the workers, peasants and soldiers, calling on them to fight against the monarchy and capitalist regime and to establish a workers' and peasants' government. The appeal urges the party to show its revolutionary combativeness and its political maturity by placing itself at the head of the masses in the great struggle which is approaching.

In July last the official organ of the Communist International at Moscow declared that the influence of the Spanish Communist Party among the masses was profound and that the task of the moment was to organize this influence among the different strata of the working population and thus prepare the ground for the victorious proletarian revolution.

Now, let us consider the position of the working man in Russia. I regret very much that the Minister of Labour is not here. Last night before he left the city I went to his room and told him that I regretted he was going to be absent, and that I would refrain from any disagreeable remarks about him. The Minister of Labour, I know, is not a Red—he is neither a Bolshevik nor a Communist. He is a good, loyal citizen, and means well. But, I ask, why do not the labour leaders—and the Minister of Labour is one of the greatest of them—tell the people the truth about the condition of the working man in Russia? The order of the Soviet Government, No. 374, dated the 23rd of December, 1930, may be summarized as follows:

First, there is no free labour market in Russia. That does not need any explanation; it means that a man cannot say, "I will work here or I will work there." He has no choice; he must work where he is told to work by the Government.

Secondly, the employer, that is to say the Government, alone has the right to choose the kind of work and the factory in which the worker will be engaged.

Thirdly, the Government fixes the place of residence and the quarters of workers. A man cannot live where he likes.

In the fourth place, if the worker refuses to submit, the penalty imposed on him is a sentence to hard labour.

Fifthly, there is no appeal possible against the decision of the Government.

The sixth point is that these provisions also apply to the workers on collective farms.

The seventh point is that there is no right to strike. The right to strike is refused absolutely. I should like to know what our union people would think if they were told that if we had this same system in Canada the right to strike would be refused. I think that would be unpopular with labour unions, and would be especially objectionable to the Minister of Labour.

The worker can procure the food and clothes that he needs for himself and his family only by means of cards which may be obtained from the employer, that is to say the Government. I have here a letter which was sent from Russia by a working man to his cousin who works in a mine in Sydney, Cape Breton. The letter says: "Stay in Canada. Here in Russia you may work a year to get a pair of boots, and then it is doubtful that you will get them at the end of the year." I have not time to read the letter, but if any honourable member is interested I shall be glad to show it.

Under the Soviet regime the worker has become a serf, taxable and liable to forced labour. The Government disposes of him as it likes. The worker is no longer anything but an inert portion of the mechanism of the state, to be moved about or thrown aside at the will of the dictators.

In the Gazette a couple of days ago the Duchess of Atholl was quoted as saying that the workers in Russia are absolute slaves.

But really there is no comparison, because the Russian workers are not even well fed. The slaves in the Southern States were well fed. Slavery was abolished only in 1864; that is within my own lifetime. They were kept as a good farmer keeps his stock, well fed and well housed. Many slaves regretted that they were given freedom. Those that used to go down the Mississippi, for instance, on those old boats of which we see so many pictures, would say: "Why, we were better under slavery. Now if a poor nigger falls overboard nobody bothers to pick him up." In the days of slavery a nigger was worth from $1,500 to $2,000.

I do not think that any honourable member will deny that there is slave labour in Russia. Indeed, the workers there are treated worse than slaves. Is it any wonder that Russia can sell her goods very cheaply when she does not have to pay for her labour? That explains why at the great exhibition at Milan the largest building there is given over to the showing of the products of Russia. The Russians were selling better macaroni and spaghetti in Italy than the Italians could make; macaroni as big as one's thumb and spaghetti as thin as a piece of thread. And they even sell razor blades in Germany. It has always been thought that the Germans were leaders in steel manufactures, but the Russians are underselling the Germans right in Berlin. They also sell coal to Pennsylvania and textiles to Lancashire. These facts show what can be done with slave labour. It is well known that the pyramids, which we still admire thousands of years after their erection, were built by slaves.

Who knows but that the rest of the world would follow Canada if we were to say simply that we did not wish to deal with Russia? When the Right Hon. William Stevens Fielding introduced the dumping measure it was a new thing, but it has become an international thing; so much so that the word "dumping" is commonly used without translation in France and has even been adopted by the French Academy. Now, why could not Canada lead the rest of the world in a refusal to trade with Russia? There is no reason why it should not do so.

The question of trade with Russia is at the present time occupying public opinion, and it seems worth while just now to recall a manner in which this question should be viewed. Whoever buys goods from Russia does these things:

(a) He helps to provide the Russian Government with the funds which it needs in order to maintain its dictatorship and to finance revolution, in the purchasing country as in others.

(b) He receives goods which are the outcome of confiscation, for it is well known that the Soviets confiscated the money in the banks and the savings of the people, and lately they have even taken away the farms from the Kulaks. It is because of this confiscated or stolen money that they are able to compete with the rest of the world.

And whoever buys goods from Russia also takes advantage of the exploitation of the Russian people and aggravates the shortage of food and other articles of prime necessity, from which these people are suffering. We remember that not many years ago the great explorer Nansen led into Russia an expedition that was financed by funds from all over the world, to prevent the starvation of Russian people. But to-day those who buy goods from Russia are actually depriving the people of that country of the necessities of life.

On the other hand, whoever sells goods to Russia, directly or indirectly, contributes to the realization of the Five Year Plan, a war machine of which the workers will be the first victims, and which is directed against the economic prosperity of other nations. And whoever extends credit to the Soviet Government has an interest in the maintenance of that regime until he has been paid; and he may have that interest for a long time.

Further, it is by entering into apparently normal commercial relations that the Soviet Government has succeeded in introducing its agents everywhere. As honourable members will remember, those agents were in London under the pretext of being engaged in commercial relations, but, as was discovered when Arcos House was raided, they were really spying on His Majesty's subjects.

Any trade, therefore, with the Soviet Government, directly or indirectly, is immoral and dangerous, as everyone who will think over the points I have mentioned will agree.

These Soviets are busy in Canada. Why, when small boys and girls in Montreal come out of school, if there is no policeman about, they are shown obscene pictures. The curiosity of the children is aroused and they say, "Give us some." On the back of each picture there is printed some sort of Soviet propaganda. The Soviet has a gospel, which is called the A-B-C. The first question asked in that is, "Who is Jesus Christ?" The honourable senator from Montarville (Hon. Mr. Beaubien) and I heard of that first in Cape Breton, but I would not pollute the walls of this Chamber by repeating the answer we heard. I am speaking of something that happened not yesterday, but five or six years ago, at the time when the Bolshevik agents of Moscow had got hold of a lot of workers in Nova Scotia. Honourable

senators will remember that the Dominion Government had to send troops down there and keep them there for about six weeks. The Bolsheviks were so well informed that they knew exactly where they could do the greatest damage most quickly. There was a huge pipe, more than thirty inches in diameter, carrying water for the cooling of certain parts of the steel works, and that pipe was blown up by dynamite inserted through a manhole. The whole works would have been ruined had it not been that fortunately it was possible to pump in water from the ocean. At that time $127,000,000 in actual money were invested in those works.

It is easy to cite instances to show how well posted the Soviet agents are. For example, they wanted to select an engineer and approached Mr. Svenington, the Chief Engineer of the Shawinigan Engineering Company in Montreal. He is a very modest man, but one of the best hydraulic engineers in the country. When there were some defects in the plans of the Gatineau River Power Development he came up and helped to straighten things out. If anyone in this House wanted to choose an engineer in Russia I do not know how the thing would be done, but these Soviets apparently know how to go about making a selection in this country. Mr. Svenington was asked to go to Russia for only three months and to name his own fee, which would be deposited in a bank here; but he refused to go.

The Russian agents went to Colonel Hugh L. Cooper. I have spoken of him in this House more than once. He is the man who built the Keokuk dam on the Mississippi river, and who reported to the United States Government that the enlargement of the St. Lawrence Waterways would cost not merely $300,000,000 or $600,000,000, but $1,300,000,000. Since he made that report our engineers have already raised their estimates from $300,000,000 to $600,000,000. Anyone knows how common it is for estimates of this kind to be increased. The Welland Canal was to have cost $30,000,000, but we have now spent four times that amount—$120,000,000. Well, Colonel Cooper insisted that he would not leave for Russia unless the Soviets deposited $100,000 in a bank in New York. They did so, and he went. Now he has come back to America and says we must trade with Russia; but Colonel Cooper is being well paid to make speeches like that. As far as Keokuk dam is concerned, the little Gatineau River Power Company will be able to develop three times as much power as can be got from the Keokuk dam. Some honourable members visited the Gatineau plant a short time ago, on the invitation of the honourable senator from Inkerman (Hon. Smeaton White).

I will now deal with the matter of religion and Communism. Buharin, Lenin's right-hand man, declared that "Religion and Communism are incompatible, both theoretically and practically." In other words, there is an irreconcilable conflict between the principles of Communist tactics and the commandments of religion, so that no one can be consistently both a Christian and a Communist. Communism excludes religion and logically involves atheism, and it is the strict duty of all Communists to fight against all religions. Hence the very first article in the general program of the Communist International, the "Komintern," published by the "Inprekor," its official organ, in its issue of October 18, 1924 (German Edition), is to "fight against religion." The total extirpation of religion is therefore one of the essential political principles of Communism; the destruction of all religious belief is a condition sine qua non of the maintenance and spread of the Bolshevist power in Russia and in the world. Consequently, any man who professes a religious belief can only be irreducibly opposed to Communism.

Hence in Russia ecclesiastics and laymen who confess their faith are regarded by the Soviet power as political adversaries, merely on the ground of their religious convictions. That is the real reason why believers are executed, imprisoned or deported to concentration camps in northern Russia or Siberia, where they wallow in filth, misery, hunger and cold and perish by inches, carried off by privations, sickness and torment.

The immediate suppression of Bolshevism is the greatest of the problems which present themselves at the present moment. Unless Bolshevism is immediately extirpated it will, in one form or another, spread throughout Europe and the entire world. The aim of that monstrous social and political system is the Bolshevisation of the world, that is to say, the total destruction by a sanguinary revolution of the present social state of the world, including its moral and religious ideas, and the creation of a Communistic world based on materialism and atheism.

The Soviets are hoping for a world revolution. Lenin, on his accession to power, said to his followers: "We are doomed to perish unless revolution breaks out in other countries." Again, on the 13th March, 1919, he declared: "Our victory in Russia will not be complete until the proletariat of the whole world has conquered power." I am glad to

repeat that, so that it will be understood. All Bolshevik leaders have expressed themselves in like manner.

Now let me briefly describe the rise and growth of Bolshevism. At the outbreak of the Great War, there were two principal political parties in Russia, namely, the Mencheviks and the Bolsheviks. The word "Menchevik" means moderate, while "Bolshevik" means extremist. The Mencheviks were far more numerous than the Bolsheviks, who were then a small minority. The former admitted the necessity of defending their country against Germany, while the Bolsheviks declared themselves internationalists. They refused to defend their fatherland, and in consequence of their antipatriotic attitude the leaders were arrested and deported. It was only at the end of 1916 that Lenin and Zinovieff, then living at Geneva, succeeded in renewing relations with what remained of their partisans in Russia.

Unfortunately, the abdication of the Czar and the Russian revolution of 1917 opened a wide field of action for the Bolsheviks. The Provisional Government at Petrograd under Kerensky allowed all political offenders to return to Russia. This was a fatal mistake. Lenin and his followers were, of course, given every facility by the Germans to return to Petrograd via Germany. The Germans knew full well what the return of these Russian revolutionists meant to them, and gave them every assistance to carry on their defeatist propaganda in Russia. Lenin began his infamous propaganda by a Bolshevik conference at Petrograd in April, 1917. His partisans were still not numerous; but this small minority, whose chief aim was the disorganization of the army and the provocation of a rising, was active and well-organized.

On the 17th and 18th July, 1917, occurred the first attempt at a Bolshevik insurrection at Petrograd. It was, however, premature; the army was not yet sufficiently demoralized, and it easily suppressed this rising. But in the autumn, the army, now being thoroughly disorganized, failed to suppress further Bolshevik risings at Petrograd and Moscow, and after a few sanguinary collisions power was seized by Lenin and his followers, who at once formed what they termed the Government of Workers and Peasants. Lenin placed himself at its head, with the powers of a dictator, and since that day, November 7, 1917, the Bolsheviks have been the only party in Russia, every other party having been declared illegal and "counter-revolutionary."

Hon. Mr. WILLOUGHBY: May I interrupt the honourable gentleman? The Deputy Governor is waiting to give the Royal Assent. I therefore move that the Senate adjourn during pleasure.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

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

An Act to ratify and confirm certain agreements respecting the joint use by Canadian National Railways of certain tracks and premises of Canadian Pacific Railway Company at Regina.

An Act to amend the Canadian National Railways Act.

An Act to amend the Canada Evidence Act.

An Act to amend the Ticket of Leave Act.

An Act respecting Northern Alberta Railways Company.

An Act to amend the Salaries Act.

An Act to amend the Royal Canadian Mounted Police Act.

An Act to amend the Government Employees Compensation Act.

An Act respecting The Essex Terminal Railway Company.

An Act respecting The Burrard Inlet Tunnel and Bridge Company.

An Act respecting the construction and maintenance of a bridge over the river St. Lawrence at Caughnawaga.

An Act respecting The Restigouche Log Driving and Boom Company.

An Act respecting a certain patent of A. R. Wilfley & Sons, Inc.

An Act for the relief of Agnes Sarah Evelyn Ballard McNaught.

An Act for the relief of Dorothy Helen Marie Debnam Almon.

An Act for the relief of Rosa Maud Thomson Checketts.

An Act for the relief of Mary Ellen Margaret Montague Burrows.

An Act for the relief of Olive Hamley Fraser Mann.

An Act for the relief of Eleanor Fritz Lawson.

An Act for the relief of Ellen Jane Easton Graham.

An Act for the relief of Joseph Norman Berger.

An Act for the relief of Joan Marguerite Loggie.

An Act for the relief of Alice Boyne Ostiguy.

An Act for the relief of Eileen Sybil Wolfe.

An Act for the relief of Helen Borland Beattie MacNicol.

An Act respecting The Algoma Central and Hudson Bay Railway Company.

An Act to amend the Armistice Day Act.

An Act respecting Grain Insurance and Guarantee Company.

An Act respecting The Subsidiary High Court of the Ancient Order of Foresters in the Dominion of Canada.

An Act to incorporate Acme Assurance Company.

An Act to amend the Copyright Act.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1932.

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

The sitting of the Senate was resumed.

IDENTIFICATION OF ALIENS BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed consideration of the motion for the second reading of Bill A1, an Act to provide for Alien Identification Cards.

Hon. Mr. CASGRAIN: We are now up to 1917. When I was interrupted by the arrival of the Deputy Governor General I was referring to Lenin's declaration that the Bolsheviks were the only party in Russia and that every other party was illegal and counter-revolutionary. Honourable members will realize what that means. Suppose the Government of Canada, for instance, were to declare that any party opposed to it was illegal!

Lenin with his monstrous but incontestable genius, and with consummate science, immediately took possession of all the nerve centres of the State. The Bolsheviks know how to attack the nerve centres of Canada, if they want to do so. On a word from Moscow, not from the Soviet Government, but from the Komintern, which might be called a holding company for the Soviet Government and the Third International, these agents would disorganize our telephone and telegraph systems. They know what viaducts or bridges could be dynamited in a few minutes to disorganize all traffic. It is enough to say that they have in this country 215 unions, of which 131 are in Ontario. Toronto is their headquarters in Southern Ontario. In the city of Winnipeg, a few years ago, as the Hon. Minister of Labour would agree if he were present, His Majesty's mail could not be moved for three whole days, and invalids and sick children could not get milk for a considerable time. Yet an ex-Minister of Immigration, who lives not far from Winnipeg, says the Communists are not very dangerous. Well, that a man can be blind to that degree is certainly trying on one's patience. How he can make such a statement is hard to understand.

After Lenin took control all resistance in the immense territory of Russia was crushed. Lenin, master of all the means of communi-

cation, master of all the arsenals, with their arms and ammunition, master of all the banks and financial institutions—now I would ask the bank presidents who are here to listen and not to talk while I am dealing with this—and master of all industrial undertakings, in a word, of the entire resources of Russia, aided by a political organization more than disciplined, enslaved, by a police force whose cruelty knew no bounds, was able to construct and perfect as he pleased the instrument of torture under which the Russian people have writhed since he came into power.

The question naturally arises, Why do not the people rise against such a monstrous Government? Russians have often been asked that question. Their answer is always the same. "What can we do without arms and ammunition?" There are spies everywhere and if a man complains he is arrested and disappears—to be shot or exiled to Siberia or the Arctic regions.

The truth is that the Bolshevik power reposes upon terror. Lenin has declared that "90 per cent of the Russian people may perish, provided 10 per cent survive till the day of the world revolution." And another leader has said: "We represent organized terror. . . . . We know no quarter."

To terrorize the people the Bolsheviks required a powerful police organization, together with an army of spies and executioners. This terrible police organization was first called the "Cheka," but is now named the G. P. U. Incidentally I might mention that the Cheka became so unpopular that the name had to be changed. The G. P. U. is at one and the same time a police force and an extraordinary tribunal with unlimited powers. That is to say, it not only arrests people, but has the power to try them and execute them. Honourable members of the legal profession should mark this. This police force, that is, the G. P. U., is supported and protected by a large body of troops consisting of about 80,000 men who are trained for the purpose of suppressing any risings among the people. Every town in Russia has some G. P. U. troops among the garrison, and these troops are always held in readiness to proceed to any place where the people attempt to rise. The G. P. U. is recruited among liberated convicts, assassins and the most disreputable scum of Europe and Asia: Jews, Letts, Poles, Armenians, Hungarians, Asiatics, Negroes, etc., etc. It is a cosmopolitan force with absolute power of life and death over a helpless people.

There is a formidable organization with its headquarters at Moscow, where an entire quarter of the city, the Loubjanka, has been

transformed into offices, prisons and torture chambers. It is in this gloomy repair that the executioners of the Russian people do their deadly work. It is in the Loubjanka that the orders are issued condemning to death or deportation thousands of innocent victims. I may say that the executions generally take place at midnight or in the early morning. I have here some newspaper clippings, but I do not want to take up the time of the House in reading them. One of them refers to a man who was tortured day by day for a whole month before he would inform on his companions. Shortly afterwards he died from the ill treatment he had received.

Now I will refer to the heads of the G. P. U. The first head of the Cheka, Ouritzki, who was assassinated by a Socialist, was succeeded by Dzerjinski, one of the most odius of all the criminal Bolshevik band. He caused floods of blood and subjected thousands of innocent persons to frightful tortures. His subordinates were worthy of him. There was Advokme, bespangled with jewels, cocaine addict and debauchee, in a constant state of brutal excitation. When his little furtive eyes rested on a prisoner, it was a death warrant. At Poltava, Griska, who caused 18 monks to be impaled, would drive through the streets in a car, with a rose in his button hole and a woman by his side. Chernovsky, cocaine addict, was out of humour if he had not killed a certain number of victims. Rosa Schwarz, at Kieff, counted her victims by hundreds; took cocaine and, with cigarette in mouth, used to go and see the prisoners naked in their cells and kill them with a revolver, or burn their eyes with her cigarette.

During this reign of terror, people suspected of being counter-revolutionary were executed en masse, first by way of reprisal for the attempt of Rosa Kaplan upon Lenin's life, and then to suppress insurrections which were breaking out everywhere against the tyranny of the Bolshevik Government. Thousands of hostages shut up in the concentration camps were put to death. The Cheka simply proceeded to the extermination of all those who happened to be in prison.

These executions en masse did not, however, produce the impression the Bolsheviks had expected. The people looked upon the victims as martyrs and venerated them as saints. And so the Bolsheviks changed their method of persecution. Assassinations are now carried out secretly, and counter-revolutionary suspects are deported to concentration camps in Siberia and the Arctic regions, where victims of both sexes wallow in filth, misery, hunger and cold and perish by inches, carried off by the awful sufferings they undergo in these infernos.

Fifty per cent of the Catholic clergy of Russia have perished since the Revolution, through judicial murder, starvation, exile or imprisonment in concentration camps.

It is quite impossible to know the total number of victims of the Bolshevik reign of terror, but the official statistics of the Bolshevik Government, published in 1923, accounted for about two millions. That was eight years ago.

You will remember that when Lenin seized power he declared: "We are doomed to perish unless revolution breaks out in other countries." It was necessary, therefore, to create an organization for the propagation of Bolshevism throughout the world. It was for this purpose that Lenin founded the Third International, and in doing so he forged a formidable instrument of destruction. Incidentally I may say that I have clippings showing that the budget for propaganda for the current year is $17,000,000. The Third International is a society composed of the Communist leaders of every nation. Its aim is the Bolshevisation of the world. The headquarters are at Moscow, where the general meetings are held. They are attended by the representatives of the Communist parties in various countries. The executive committee of the society sits permanently at Moscow, and issues instructions from there to the Communist parties in other countries. For instance, the Canadian Communists send delegates to Moscow to attend the general meetings there, and the Canadian Communist party receives its instructions from the executive committee sitting at Moscow. Still the ex-Minister of Immigration says there is no danger. Take for instance the sinister role just recently played by the Third International in Spain. Moscow stands in the same relation to the Bolsheviks throughout the world as Rome does to the Catholics of the world. The Catholics receive their instructions from Rome; the Bolsheviks receive theirs from Moscow.

I will mention to you very briefly what the instructions to the Bolsheviks are. They are well known, for they were published in the official paper of the Bolshevik Government. The Bolsheviks all over the world are instructed, firstly, to fight against religion; secondly, to oppose all doctrines that preach the union of capital and labour; and, thirdly, to sow discord between the employed and the employers so as to cause a class fight to a finish.

The program of the Komintern was published by its official organ, "The Inprekor," on October 18, 1924. It may be summarized as follows: to prepare a revolution the countries must first be disorganized economically so that there may be created a revolutionary situation. Well, God knows that in both the United States and Canada we are sufficiently disorganized economically at the present moment. I do not suppose that even the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) remembers a time when these countries were disorganized economically to such an extent as they are to-day, or when there was as much unemployment in them as there is at this moment. This is the time for the Bolsheviks to reap their harvest. The disorders and civil war which naturally result from such a situation are turned to account by the Communist fighting organizations to introduce terrorism, and then the dictatorship of the proletariat.

The dictatorship of the proletariat means that banks, industries, commerce and land are confiscated and pass into the hands of a tyrant state ruled by a dictator. In other words, the people are no longer citizens, but become slaves of the state—as they are to-day in Russia, where the people are forced to work, at starvation wages, for the Bolshevik Government, who export to foreign countries the produce of this forced labour, against which honest labour is unable to compete. For instance, Russia to-day exports grain produced by forced labour, though there is so little food in Russia that the unfortunate people are rationed and can obtain only bread cards, which are given sparingly, and are refused to those who show any resistance to such a tyranny. I mention bread cards, because meat, of course, is out of the question. A pound of meat would cost a dollar or a dollar and a half, and a man's wages per day would be only about fifty cents. Clothing also is absolutely out of the question. I said a while ago, and I repeat it, that a man has to work about a year to get a new pair of boots, and even then he is not sure of getting them.

Now I come to the fight against the Church. The moment the Bolsheviks came into power they began their attack on the Russian Church, and all other churches. As you are aware, never since the days of the Roman Emperor Nero have Christians been so cruelly persecuted as they are to-day in Russia. The reason of that persecution is that no consistent Communist can be a Christian, for the principles of Communism are diametrically opposed to Christianity and the Bolsheviks realize that to remain in power they must de-Christianize Russia. The Bolsheviks themselves admit this. That is the A-B-C of Communism, the gospel of the Communist, and it is very plainly stated. The first question asked is: "Who is Jesus Christ?" I will not repeat the answer given in the book.

Let me say a word, en passant, about that venerable institution, the Russian Orthodox Church, which so closely resembles the Catholic Church, to which it was united for ten centuries. Unfortunately the great schism of the East separated them. I will not enter into the causes of that schism, but will merely mention that the occasion of it was the lust of a profligate king. But when the Russians left the Catholic Church they retained the same seven sacraments, including Holy Orders; so that their bishops and priests are really priests and celebrate Mass validly.

Until Peter the Great became Czar of Russia the Russian Church was governed by a Patriarch. It was then independent of the State, and as powerful as the Czar. Peter the Great, being an autocrat, could not suffer such a powerful rival in the State; so he abolished the Patriarchate and made himself head of the Church, which thus became merely a department of the Government. It completely lost its independence. Bishops were nominated by the Czar and were appointed to do his will. They had no longer any power and were only figureheads. In fact they were taken from the monasteries and were selected on their appearance. For instance, a fine looking monk with a flowing beard and of venerable appearance had a fair chance of becoming a bishop. Their Lordships wore magnificent vestments and looked very imposing in church functions, and were much admired by the people, who saw their bishops only on such occasions. Many Russian priests have given up their lives, and many are still giving up their lives, for the faith. At first the Bolsheviks arrested and executed the clergy en masse, but they found that these wholesale public executions made martyrs of the victims, so they changed their method of persecution. Now priests are either murdered secretly or deported to a distant concentration camp to die a lingering death from starvation and ill-treatment.

Countless churches have been turned into cinemas, theatres, dancing halls, museums, and so forth, but the buildings remind the people that they were once churches, and now the Bolsheviks have undertaken to destroy them all and to raze them, so as to leave no vestige of what they were.

Yet the Bolsheviks, in spite of their cruel and constant persecution, and notwithstanding the anti-Christian propaganda carried on by them since their accession to power, by means of their press, their theatres, their cinemas, their radio, and innumerable anti-Christian propagandists, have not succeeded in rooting out the faith from the hearts of the people. The great majority of the peasants, who constitute the bulk of the population of Russia, have been impervious to the propaganda and many thousands have suffered martyrdom for their faith.

Now I would draw special attention to the perversion of youth. The Bolsheviks, quickly realizing the hopelessness of destroying the faith of the older generation and making them Communists, concentrated their efforts on the younger generation, and systematically undertook to corrupt the youth of the country. Their aim is to make the child a convinced Communist by teaching him to hate the social and moral order of civilized nations. The deliberate and systematic depravation of children seems to us utterly incomprehensible, but it is the logical outcome of Communistic education. Although it is incomprehensible to us, yet to the Bolsheviks it is of capital importance, for it produces three results: firstly, it destroys all sense of morality in children and thus makes them thorough Communists; secondly, it destroys family life, for children thus educated lose all respect for their parents, despise them, and treat them with contempt and as enemies; lastly, it makes Communism attractive to the average child, who, of course, would much rather live in idleness and without any sort of restraint than have to study, and keep the commandments of God and of His Church.

The official journal of the Bolsheviks, "The Godless," is widely circulated among the children. It is profusely illustrated with immoral pictures, and one page is specially devoted to the children. It contains playlets of unbelievable grossness and immorality. The children are taught to perform these filthy plays in the Bolshevik theatres. Several universities have been founded for the purpose of training professors of atheism, and to show how it is to be taught to the rising generation. In Canada atheism is taught in a more simple but perhaps more effective manner. Monsignor Helenowski told me that in some Bolsheviks' schools children are taught that there is no God, in the following manner. The teacher would lie down and issue a challenge to God, in the presence of the children. He would say, "If there be a God, let Him prevent me from rising," just as the Jews said to Our Saviour when He was dying on Calvary, "If Thou art the Son of God, come down from the cross;" and, as God does not usually punish blasphemers instantly, the teacher would rise and the children would be sadly and deeply impressed by this sacrilegious performance.

In Russia the children are forced to take part in most infamous masquerades. If they fail to attend, the parents are punished by being deprived of bread cards, which means starvation, or else they are imprisoned like the worst criminals. The children are made to dress up in clerical vestments, or as sisters or monks, to take part in these masquerades, and are taught to make sacrilegious and immoral gestures. In a word, everything is done to completely demoralize the children.

There are millions of deserted children in Russia, family life having been destroyed. Newspapers devote columns to the problem of deserted children, but no solution has been found. They may possibly be destined to constitute that future Red wave that is to sweep over Europe and annihilate Christian civilization.

The headquarters of Communism in Canada are in Toronto, and they keep in constant communication with the executive at Moscow, from whom they receive their orders, which through their organization are transmitted to all parts of Canada. They have divided Canada into nine large areas, extending from Halifax to Vancouver, and each area is subdivided into districts, and each district into groups composed of a certain number of cells. The cell is the fundamental unit of the Bolshevik organization. As soon as a few Bolshevik workmen in a factory, workshop, mill, railway, mine or any other undertaking get to know one another, they constitute a cell whose function it is to sow discord between the workmen and their employers in order to prepare the ground for strikes and to cause trouble generally. It is the duty of the cell to keep in touch with the head of the group to which it belongs. The head of the group reports to the head of the district, who reports to the head of the area, who in turn reports to headquarters at Toronto. I am talking about "Toronto the Good." It will be seen that by this system orders from Moscow can reach workmen in every part of the country, so that in the case of a general strike combined action may be taken to create a revolutionary situation in the country.

Bolsheviks are aware that they will never succeed in establishing the dictatorship of the proletariat, in other words seize power, until they have won over to their ideas the labour unions. As I have said before, I regret that

the Minister of Labour is not here, and again I ask the question: Why do not the heads of the labour unions tell the truth to the workmen about the state of the workers in Russia? If they did that, the men would not join the movement. I cannot understand why the facts are not made known. I know at the time of the trouble in Cape Breton only one man in ten was a Bolshevik; the others were good native Scotchmen, law-abiding people. Nevertheless, the one in ten terrorized the others, and I was told by a priest down there—the honourable senator from Montarville (Hon. Mr. Beaubien) will remember this—that one in ten was sufficient to upset all the others. The Bolsheviks rely on their workshop-cells to win over the labour unions by their Communistic propaganda. They call it "boring from within." Meanwhile they seek to be chosen as leaders or secretaries in the unions.

It is true that at present a very small minority of our population are Bolsheviks; but their newspapers, in French, English, and foreign languages, and printed chiefly at Winnipeg, circulate everywhere and carry on active propaganda, and they will, if not suppressed, cause Bolshevism to grow until eventually it becomes a very serious menace.

Let me refer to a letter recently sent to the Solicitor General, drawing his attention to the propaganda of the Communistic press. That letter contained three newspaper clippings, the first of which was from a Communistic journal published in Ukrainian in Winnipeg. I do not know whether the Government has many in its employ who understand Ukrainian, which is not like Russian or Polish, but is a separate language. That clipping gave a report of a meeting of Finnish Communists held in Porcupine, Ontario, at which the chairman of the meeting announced that a speaker had just arrived from Moscow to give them the instructions of the Communist International, called the Komintern. The second clipping speaks of a meeting of the young Communists of Winnipeg, called for the purpose of explaining to them the education of young Communists in Russia; and the third clipping gives the program for world revolution. This, honourable gentlemen, will give you some idea of what is to come.

The Bill that is before the House, and upon which I wish to say a word or two, is almost identical with a Bill passed by the State of Michigan for the same purpose. I have the Michigan Bill here. I may mention that some good lawyers said there was something in my Bill that might be improved; so I wrote to the Governor of the State of Michigan, His Excellency Wilber M. Brucker, asking for a copy of the Michigan Bill. I have received the following reply:

My dear Senator:

This will acknowledge receipt of your letter of the 30th ultimo, regarding the Alien Registration Bill recently signed by Governor Brucker. I am very glad to enclose herewith a copy of this Act as signed by the Governor, and hope the same will be a help to you.

With kindest regards, I am

Yours very truly,

D. B. Smith,
Executive Secretary.

I have here the Bill referred to, but, as it is long, I will not weary the House by reading it. I have shown it to my venerable friend beside me (Hon. Mr. Béique).

Right Hon. Mr. GRAHAM: Young friend.

Hon. Mr. CASGRAIN: Yes. He does not like the term "venerable"; he prefers "young." If this measure is referred to a committee the Michigan Bill will be available there.

Hon. Mr. BEIQUE: Read it.

Hon. Mr. CASGRAIN: It is suggested that I should read the Bill, but I think it is too long. If it is the pleasure of the House, I am quite willing to place it on Hansard.

Hon. Mr. WILLOUGHBY: Has my honourable friend the Bill there?

Hon. Mr. CASGRAIN: I have the Bill passed by the State of Michigan.

Hon. Mr. BEIQUE: It is not very long.

Hon. Mr. CASGRAIN: I am in the hands of honourable members. I shall be delighted to have it inserted, if that is the wish of the House.

Hon. Mr. DANIEL: What Bill is the honourable gentleman referring to?

Hon. Mr. BEAUBIEN: A Bill passed by the State of Michigan.

Hon. Mr. TANNER: Put it on Hansard.

Hon. Mr. MICHENER: It would be interesting.

Hon. Mr. CASGRAIN: My Bill is extremely simple. It merely requires that aliens in Canada shall register somewhere, at the nearest post office or wherever the Government regulations provide. If we pass this Bill we shall know what people arrive from Moscow or any other foreign place, and we shall have their names and addresses. I believe it would be very much in the public

interest to have an Act of this kind on our Statute Book. Now, if it is the wish of the House, I shall place this Michigan Bill on Hansard.

Hon. Mr. TANNER: Put it on.

Some Hon. SENATORS: Yes.

Hon. Mr. CASGRAIN: All right.

State of Michigan
56th Legislature
Session of 1931

Introduced by Mr. Cheeney — Bill No. 520, File No. 324

House Enrolled Act No. 176

An act defining a legal resident of this state as distinguished from a citizen of the state; declaring that any person of foreign birth who obtained admission to the United States illegally or one who comes within the classification "Undesirable alien" as defined by the laws of the United States is disqualified from becoming a legal resident of this state; prohibiting employment of persons illegally resident in the state; prohibiting domiciling within the state of persons disqualified from becoming legal residents; prohibiting such persons from engaging in business in this state and legal residents from employing or engaging in business with such persons; providing for the administration and enforcement of this act by the commissioner of public safety, peace officers and the courts; providing penalties for violations hereof and repealing all acts and parts of acts in conflict herewith.

The People of the State of Michigan enact:

Section 1. For the purpose of maintaining economic, industrial and political welfare of this state, a legal resident of the state, as distinguished from a citizen, is defined as follows:

(a) Any person who was born in the United States of America or in a territory thereof as provided by the laws of the United States;

(b) Any person of foreign birth, who entered the United States of America prior to the adoption of measures limiting or restricting immigration, who does not come within the classification "Undesirable alien" as defined by the laws of the United States;

(c) Any person of foreign birth, who since the adoption of measures limiting or restricting immigration, entered the United States of America through any regular office of the United States bureau of immigration, under a lawfully acquired and lawfully employed passport or such other credentials as from time to time have been required and recognized by the laws of the United States, who does not come within the classification "Undesirable alien" as defined by the laws of the United States.

Section 2. Any person of foreign birth, who since the adoption of measures limiting or restricting immigration entered the United States of America in any manner except as described in section one hereof, is declared to have entered the United States illegally and is hereby disqualified from establishing or maintaining legal residence in this state.

Section 3. Any person of foreign birth, who comes within the classification "Undesirable alien" as defined by the laws of the United States, is hereby disqualified from establishing or maintaining legal residence in this state and from sojourning at all within the territorial limits of the state.

Section 4. Any person of foreign birth, who entered the United States of America illegally or one who comes within the classification "Undesirable alien" as defined by the laws of the United States, and is now within the confines of the state is hereby declared to have entered the state illegally and to be subject to deportation as in this act provided.

Section 5. Any person of foreign birth, who entered the United States of America illegally or one who comes within the classification "Undesirable alien" as defined by the laws of the United States and hereafter seeks to enter this state shall when detected be denied admission at its borders or if detected after entering the state, shall be subject to deportation as in this act provided.

Section 6. Any person of foreign birth, who as in this act provided is disqualified from establishing and maintaining legal residence in this state, is prohibited from having employment or engaging in business within the state except as hereinafter in the penal section of this act provided.

Section 7. No person, firm, corporation or association, legally resident or qualified to do business in this state, shall have in his or its employ any person of foreign birth who as in this act provided is disqualified from establishing or maintaining legal residence in the state.

Section 8. No person, firm, corporation or association, legally resident or qualified to do business in this state, shall associate in business as a partner or otherwise in this state with any person who as in this act provided is disqualified from establishing or maintaining legal residence in the state.

Section 9. The commissioner of public safety is authorized and directed to issue to all aliens legally resident in Michigan after they have established proof of legality of their entrance to the United States from the records of the office of the United States bureau of immigration at the port of entry of such alien, a certificate of legal residence given under the seal of the department to be in words and figures substantially as follows:

This is to certify that.. .. ..a native of....., did enter the United States of America at....., on the ..... day of .....1 ....., evidence of such entry having been presented in the form of ..... from the United States bureau of immigration, which to the satisfaction of this office establishes the identity of the said ..... as the person who made the entry.

(Signed).....
Commissioner of Public Safety

(Description and signature of alien)

(Seal)

By.....
Authorized Deputy

which said certificate shall constitute the evidence of right to residence in the state as a certificate of naturalization constitutes evidence of citizenship in the case of a naturalized alien. To expedite the administration of this act, the commissioner of public safety may designate as deputies for the purpose of issuing such certificates, judges and clerks of courts of record and city and county clerks.

Section 10. Every person of foreign birth now residing in Michigan or who seeks to establish or maintain residence in the state, who is not a naturalized citizen shall within sixty days after the effective date of this act or within thirty days after entering the state, make application to the commissioner of public safety or his deputy for the certificate of legal residence authorized by this act under such rules and regulations as the commissioner of public safety may prescribe.

Section 11. Certificates issued by deputies as provided for in section nine hereof, shall be issued only upon the filing with the proper officer of the evidence required, which evidence shall be transmitted to the principal office of the commissioner of public safety, together with a copy of the certificate issued and all information pertaining thereto, which record shall be made part of the permanent record in the files of the department of public safety. Photographs, finger prints or such other evidence of identification as the discretion of the commissioner shall demand, may be required of all applicants for such certificates.

Section 12. Every person, firm, corporation or association, legally resident or qualified to do business in this state, employing directly or indirectly through the instrumentality of one or more contractors or other second or third parties, persons of foreign birth, who are not naturalized citizens shall require that such persons as a condition precedent to securing or continuing employment shall produce a certificate of legal residence as herein required and authorized, and such employers shall, whenever application for employment is made by any person of foreign birth, who is not in possession of such certificate of legal residence or who is in possession of a certificate that describes a person other than the applicant or bears a signature with which the signature of the applicant does not correspond, promptly report the circumstances to the commissioner of public safety, giving the name used and the address furnished by said applicant.

Section 13. It shall be the duty of all peace officers of the state, counties, cities and towns, to take into custody any person of foreign birth, who is not a naturalized citizen, and who does not possess a certificate of legal residence in the state as in this act provided, holding as provided in misdemeanor cases such person until his right of residence shall be established or until the issue in such case is disposed of in accordance with the provisions of this act.

Section 14. Any person who shall violate or omit to comply with any provision of this act, shall be guilty of a misdemeanor and upon conviction thereof, shall be punished by a fine of not less than fifty dollars nor more than one hundred dollars and the costs of prosecution or by imprisonment for not more than ninety days in a county jail or both such fine and imprisonment in the discretion of the court. The peace officers having custody of the person of such alien on payment of the fine or serving of sentence shall at once deliver the person of such alien to the officers of the United States bureau of immigration, together with an abstract of the evidence in the proceeding. Fines paid by others than alien illegal residents shall, if the proceedings be instituted by state officers be paid into the state treasury and credited to the general fund, and if the proceeding be instituted by city or county peace officers be paid into the city or county treasuries as the case may be and credited to the general fund.

Section 15. The provisions of the act shall be in full force and effect in the case of all persons, who having entered the United States of America and this state on a temporary permit from the United States bureau of immigration or any other competent authority, which permit having expired establishes such person as maintaining residence illegally.

Section 16. Nothing in this act contained shall interfere with any regulations that may hereafter be put into effect by the United States government to permit the temporary importation of emergency labour for agriculture or any other necessary work or art, or with the legal operation of any foreign corporation.

Section 17. Except for the specific provisions of section three hereof relating to "Undesirable aliens" nothing in this act contained shall affect or interfere with the right of foreign born visitors, tourists or persons engaged in travel, study or recreation, who conduct themselves in conformity with the requirements of other laws of this state, to sojourn within the limits of this state unless they undertake to obtain employment or engage in business in the state, in which event all of the provisions of this act shall be in full force and effect as they relate to the activities of persons of foreign birth who are not citizens of the United States.

This act is ordered to take immediate effect.

.....
Clerk of the House of Representatives.

.....
Secretary of the Senate.

Approved.....

.....
Governor.

Hon. Mr. CASGRAIN: If my Bill is passed, the regulations will be left to the Governor in Council. I have a diagram which shows that Canada is regarded by the Soviets as one of the most favourable countries for a revolution, because of the fact that people have been coming here for years without any restrictions. The fact is that under our assisted immigration scheme we have been paying money to bring people in here, and that is the reason why our own Canadians have had to leave the country and go to the United States in search of work. If we had not brought in so many immigrants there would not be nearly three million Canadians across the line to-day.

Hon. Mr. DANDURAND: My honourable friend has stated in this Chamber more than once that people were leaving this country for the United States, to his knowledge, thirty or forty years ago.

Hon. Mr. CASGRAIN: Yes.

Hon. Mr. DANDURAND: That was before these new immigrants came.

Hon. Mr. CASGRAIN: I do not want to enter into a discussion about that. More than fifty years ago, at the time of the Mackenzie Government, immigrants were coming in here by the hundreds and being landed from ships at Levis. The charge for bringing an immigrant from Europe at that time was one pound, which included meals, but not bedding. When they landed at Levis they used to be fed by a man named O'Brien, who was paid for each meal 50 cents, equal to the present value of a dollar. Although we owed those people nothing, the Government gave them a free meal and a free ticket on the Grand Trunk to wherever they wanted to go, which usually was somewhere in Ontario, for at that time the Northwest was not opened. And while they were eating a good meal, not more than 200 feet away would be native Canadians, with all their belongings tied in quilts or blankets, and their little children eating dry bread.

In this country in 1670, under Jean Talon, there were only 7,000 people all told. The honourable senator from Grandville (Hon. Mr. Chapais) is a historian and can correct me if any of my statements are wrong. Bishop Laval certified that there were eleven hundred christenings for that one year from among the 7,000 people. Surely our men are just as virile as were the men of those days. If we had a natural increase of the same proportion now it would mean a growth in our population of about a million every year. We do not need to bring people in, for we can manufacture our own immigrants right here.

Hon. Mr. HARDY: May I ask the honourable senator if most of the immigrants who came in those days were not from the British Isles?

Hon. Mr. CASGRAIN: No, they were mostly from Ireland.

Hon. Mr. HARDY: Isn't that good enough for the honourable senator?

Hon. Mr. CASGRAIN: Well, they were mostly from Ireland. The people there were not in sympathy with Britain, and never have been, and I do not believe they are today.

Hon. Mr. HARDY: They were not Bolsheviks.

Right Hon. Mr. GRAHAM: I think we are pretty good, myself.

Hon. Mr. CASGRAIN: My right honourable friend comes from the north of Ireland, the Black North. However, I do not want to take up the time of the House much longer; I fear I have been too long already. I have a number of newspaper clippings here, but I shall refer to them only briefly. Here is a despatch from H. R. Knickerbocker, in the Montreal Star. And another clipping has a heading, "Russian Tells of Hardships in Letter to Cousin in Canada." That despatch is from Sydney, Nova Scotia, and refers to the letter that I mentioned a little while ago. Another clipping is a despatch from St. Johns, Quebec, headed, "Bolshevism is Scored by Knights of Columbus." The despatch states that a strong resolution was passed at a convention of the Knights of Columbus, denouncing the Russian propaganda which attacks, among other things, the Canadian labour unions and seeks to convert the members of those unions into Communists. I am sure my worthy friend the Minister of Labour (Hon. Mr. Robertson) would be interested in this, because he has a high office in the Union of Telegraphers. But these labour leaders are very conservative, and they have strong reason to be, because they have good jobs. No one who is well off wants to be a Communist.

Another clipping is from the Montreal Star and is headed, "Warning Against Communism Given." In this article Mr. E. A. Pin declares the Soviets are attempting to upset labour unions in Canada. As I say, if it were not that too much time would be taken up, I could read a lot of interesting material from these clippings. Here is one with this heading: "Exiled Kulaks Live on Brink of Death. Misery of Former Rich Peasants sent to Northern Russia is that of the Dying. Fight with Dogs for Food."

Hon. Mr. GORDON: Will the rest of the clipping be placed on Hansard?

Hon. Mr. CASGRAIN: No. The heading goes on, "Yet they fail to move native populace by their plight and many perish wretchedly. Guards needless in Arctic. Kulak Leader comments bitterly to visitor, 'Everything is all right—you can see that.'" The despatch was written by Mr. Henry Wales from Archangel, where apparently these Kulaks have to fight with the dogs to get food out of the garbage tins at nights. The Soviets stopped Mr. Wales' cable, but fortunately he had previously mailed a copy of it to the Paris office of the Chicago Tribune and it was cabled from there to Chicago.

Another clipping is headed, "Lancashire sees menace masked by oily exterior." I should think they would. And another heading reads: "Declares McGill is contaminated with Communism." That refers to the students of McGill University.

Hon. Mr. DANDURAND: Should they not come under my honourable friend's Bill?

Hon. Mr. CASGRAIN: I wish to refer to only one more matter. The League of Nations has issued a pamphlet which deals thoroughly with the Bolshevik menace. People who have any influence with the League could not do better than see that every honourable member of this House is supplied with a copy of this document. It is signed on behalf of the International Entente against the Third International, by the President of the Permanent Bureau at Geneva, Théodore Aubert. I am sure the honourable leader on this side (Hon. Mr. Dandurand) will know that gentleman. Certainly no one will be scandalized if I read anything that is published by that august assembly called the League of Nations. On page 6 of the pamphlet there is this statement:

Clemenceau well understood that the criminal domination of Bolshevism would not have resisted isolation. All the efforts of the Soviets have been directed to breaking the economic and moral blockade which condemned them to death.

Then on page 71 are "Technical instructions for carrying out the revolution." It reads:

Action over the masses:

Terrorise the bourgeois by descent en masse into the streets.

Posts, patrols, machine guns and armoured cars.

Disarm them by suppressing the newspapers, so that they will know nothing, and money, by closing the banks: deprive them of the means of transport (motor-cars) and prevent them from organizing (control of meetings).

Nationalise banks, factories, industries, private firms (work of the cells).

Assure possession of the necessary money by seizing the banks and by contributions from public and private funds.

Establish a popular police and tribunals, regulate traffic by requiring an "identity card." From this moment the bourgeois can no longer escape.

Control of private arms: this gives pretext for domiciliary search and fines.

On page 95 there are these statements:

A married woman may declare that she is pregnant not by her husband but by another man, and if the court proves that she had had relations with other persons at the time indicated it can oblige them all to contribute to the expenses of lying-in and the support of the child. This is legal "collective paternity."

A "free marriage"—which does not differ from any other except as regards the formality of registration—"may be contracted," says a jurist, "either verbally, in writing, or by the intimate approach and free will of a man and a woman." "This makes polygamy possible," says the Attorney General Krylenko, "but the Soviet law sees no necessity to take measures to prevent it." In certain cases a father can be the legal husband of his daughter, or a mother the wife of her son, and we must reproduce here the following declaration by the Attorney General:

"It happened in Samara that a woman applied to the civil court for a maintenance order in regard to three children that she had had by her own father. The civil court wished to take the matter before the criminal court, but we notified that there was no need to pursue the affair before the criminal court and that in judging such cases we ought not to be led away at the tail of bourgeois prejudices."

"It sometimes happens that a man has twenty wives."

This was written by a woman.

"He has lived a week with one, two weeks with another, and so on. The children remain . . . . You cannot get anything whatever from such a man for their upbringing. You cannot take the skin off his back. And there are the children in the street."

Honourable senators, I thank you for the patience you have shown.

Hon. C. P. BEAUBIEN: Honourable senators, I would crave the courtesy of a brief hearing on the principle of this Bill, but as it is twenty minutes to six o'clock and there are a number of items on the Order Paper still to be dealt with, I move that the debate be now adjourned and be taken up as the first order to-morrow. I am ready to proceed now, but I think it would be better to make way for the other orders.

The debate was adjourned.

HOSPITAL SWEEPSTAKES BILL

CONSIDERATION POSTPONED

On the Order:

Resuming the adjourned debate on the motion for the adoption of the report of the Special Committee to whom was referred Bill E, an Act with respect to Hospital Sweepstakes.—Right Hon. Sir George E. Foster.

Right Hon. Sir GEORGE E. FOSTER: Honourable senators, I could not finish what I have to say before 6 o'clock, and, as I do not want my speech cut up into three or four parts, I shall not proceed until to-night.

Hon. Mr. WILLOUGHBY: I do not think we shall be meeting to-night.

Right Hon. Sir GEORGE E. FOSTER: Then I move that the order be discharged and set down as the first order on Tuesday next.

The motion was agreed to.

Hon. Mr. LEMIEUX: Honourable senators, I should like to ask the leader of the Government whether he will be in a position to tell us the policy of the Government on this Bill when the order is taken up next Tuesday. It is a very important Bill. I think we should

have the opinion of the Government, and especially of the Minister of Justice, before we proceed any further with it.

GOVERNMENT ANNUITIES BILL

THIRD READING

Hon. W. B. WILLOUGHBY moved the third reading of Bill D1, an Act to amend the Government Annuities Act.

He said: Honourable members, in response to the request of the honourable member for Rougemont (Hon. Mr. Lemieux) I promised to get a certain statement from the Superintendent of Insurance, if it were possible. I have already placed on Hansard a short statement made by him. I have now received from Mr. Finlayson the following statement:

Re Amendment to the Government Annuities Act

I have read the discussion in yesterday's Senate Debates and am glad to give the additional information asked for, so far as I am able to do so.

At the time of the amendment in 1920 it was strongly urged by the then Superintendent of Annuities that the rate of interest payable on Government borrowings was in excess of the cost to the Government of the Government annuity system. At that time this was true as to the nominal cost of 4 per cent and probably also true as to the effective cost when the actual mortality experience was taken into account, although at that time no investigation into the experience of the Fund had been made. The foregoing argument was used to urge the use of the annuity system as a means of obtaining additional revenue for the treasury, and this was at least one of the reasons for the increase in the maximum amount of the annuity purchasable.

Since that time an investigation into the mortality experience of the annuitants and the state of the Fund, as well as investigations into annuity experience elsewhere, has demonstrated the inadequacy of the present annuity rates, and with the lapse of time the arguments urged in 1920 have ceased to be applicable.

At the present time, with all the facts before us, I think that the provisions of the Bill now before the Senate are in the public interest.

I have also been able to secure some extracts from the speeches made in 1920 by Sir Henry Drayton and Mr. Fielding in connection with the resolution to increase the maximum annuity from $1,000 to $5,000. This is an extract from the speech of Sir Henry Drayton, then Minister of Finance, delivered on March 12, 1920:

Mr. Chairman, the object of this resolution and the legislation to be based upon it is to make Government annuities more popular than they are at present, to stimulate public interest in them, and to raise larger sums of money than have been raised in the past under the Government Annuities Act. The changes proposed are not very great, but they are considered necessary by the department having the matter in charge in order to make possible a greater sale of the annuities, in the interest not only of the country, but also of those who purchase them.

The original intention in connection with the sale of annuities by the Government was to provide for an income to the annuitant of comparatively small amount. Of course, the first idea of the annuity was that it was entirely for the benefit of the annuitant, not of the country. That idea has long since been exploded, at any rate in so far as matters on this side of the Atlantic are concerned. The large insurance companies have gone very extensively into the business of selling annuities and in this connection are making very large sums of money. The sale of annuities ought to be a good thing for the Government; it is a transaction in connection with which the country ought to receive a large amount of money. If it pays ordinary commercial companies to sell annuities, it ought to pay, and I have no doubt will pay the country to sell them. Now, the total amount payable yearly by way of annuity has been $1,000; the department have requested that the amount be increased to $5,000 so that they may be enabled to do business with individual or joint annuitants to the extent of that amount.

Mr. Fielding made the following remarks, among others:

The objects of those who devised the original annuity scheme are not quite the same as those of the Minister of Finance. The original scheme was devised for the benefit of the annuitants, whereas my hon. friend is devising a scheme for the benefit and convenience of the Government. He wants to draw more money into the public treasury, and I suppose no objection can be taken to that, because he needs it badly. This Bill is designed, not for the benefit of the annuitant, but to get more money into the public treasury. It was never intended that this should be a scheme to compete with insurance companies. Inasmuch as it was a privilege that was granted, it was not considered necessary to give it to everybody. But I do not think any harm can come from extending it as my hon. friend suggests. Then it was intended that the annuitant should receive a moderate sum; I do not think it was intended that he should get $5,000; I think the original sum was $600—at all events, the sum was a small one. The scheme was never intended as one to compete with insurance companies, but to meet the case of many simple people who did not understand insurance, who had great faith in the Government and who would take up a Government scheme when they might not take up an insurance scheme. Therefore, it was not intended to be a scheme to pay large annuities. My hon. friend is now going into competition with insurance companies. I do not know that any great harm can come from that, but it is quite evident that his viewpoint is not quite the same as that of the former minister who devised the scheme.

The scheme was devised, I believe, by Sir Richard Cartwright, and the legislation originated in this House.

Right Hon. Sir GEORGE E. FOSTER: What was the date of that speech?

Hon. Mr. WILLOUGHBY: I was quoting from Sir Henry Drayton's speech of March 12, 1920.

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

PRIVATE BILLS

THIRD READINGS

Bill 14, an Act respecting the Kettle Valley Railway Company.—Hon. Mr. Green.

Bill 15, an Act respecting the Canadian Pacific Railway Company.—Hon. Mr. Gillis.

Bill 21, an Act respecting the Montreal and Atlantic Railway Company.—Hon. Mr. Tobin.

SECOND READING

Bill 11, an Act respecting a certain patent application of Emma E. Tait.—Hon. Mr. Copp.

SOLDIER SETTLEMENT BILL

SECOND READING

Hon. W. B. WILLOUGHBY moved the second reading of Bill 41, an Act to amend the Soldier Settlement Act.

He said: Honourable members, this is a very simple Bill. The Soldier Settlement Board is being abolished and we are substituting a Director of Soldier Settlement who is vested with all the powers that the Board possessed. He is made a corporation sole for the purpose of executing all documents and carrying into effect all rules and regulations. It is an attempt to reduce the cost of operation.

Hon. Mr. DANDURAND: And we have already reduced the liability.

Hon. Mr. WILLOUGHBY: Yes, we have reduced it more than once. I hope Parliament will not be asked for a further reduction.

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

THIRD READING

Hon. Mr. BELCOURT: I understand that there is absolutely nothing to this Bill except the substitution of one person for three commissioners.

Hon. Mr. WILLOUGHBY: That is all there is to it.

Hon. Mr. BELCOURT: I do not see why it should not have the third reading now.

Hon. Mr. WILLOUGHBY: With the leave of the House, I move the third reading of the Bill.

Right Hon. Sir GEORGE FOSTER.

Hon. Mr. DANDURAND: I would have agreed readily, but I was a little afraid of my right honourable friend the junior member for Ottawa (Right Hon. Sir George E. Foster).

Right Hon. Sir GEORGE E. FOSTER: This is a case of emergency.

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

PRISONS AND REFORMATORIES BILL

SECOND READING

Hon. W. B. WILLOUGHBY moved the second reading of Bill 72, an Act to amend the Prisons and Reformatories Act.

He said: Honourable members, this too is a very simple Bill, and the marginal references explain the end to be accomplished. It provides that Roman Catholic females in Nova Scotia may be sentenced to reformatories instead of to gaols or prisons—

Right Hon. Mr. GRAHAM: Why in Nova Scotia?

Hon. Mr. WILLOUGHBY: —and that Roman Catholic females in New Brunswick who are found guilty of an offence punishable by imprisonment for less than two years may be sent to the Good Shepherd Reformatory in the city of Saint John. The other provisions are for the sending of such prisoners to some institution under the control of a religious body, instead of to a gaol or prison in the ordinary way.

Right Hon. Mr. GRAHAM: It is for reformation rather than punishment.

Hon. Mr. WILLOUGHBY: Justice can be administered more cheaply and certainly more effectively if they are sent to a religious or charitable institution.

Hon. Mr. BELCOURT: May I ask my honourable friend whether the Attorneys General of the two provinces have been consulted about the measure?

Hon. Mr. WILLOUGHBY: I cannot answer that.

Hon. Mr. BARNARD: May I ask the honourable gentleman why the provisions of the Bill are confined to persons of one religious faith, and to only two provinces?

Hon. Mr. WILLOUGHBY: The only suggestion I can offer—it is an intuition, and I give it for what it is worth—is that perhaps these institutions have volunteered to take charge of these convicts.

Hon. Mr. BELCOURT: That is the reason.

Hon. Mr. WILLOUGHBY: The duty could not be imposed upon them. I think it has come to the attention of the Government that these institutions are willing to take charge of these convicts.

Hon. Mr. TANNER: They are doing so now. I am quite in favour of this Bill, but I should like a little information with respect to subsection 3 of section 121A, on page 2, which is new. That subsection reads:

If any female person, sentenced to the Good Shepherd Reformatory under the provisions of this section, escapes from such institution, she may at any time be apprehended without warrant and brought back to the said institution, there to be detained under the original commitment.

The honourable senator from Hamilton (Hon. Mr. Lynch-Staunton) has now pending before this House an important amendment to that section of the Criminal Code which permits a peace officer to shoot an offender who is seeking to escape by flight. That section of the Code as it now stands is:

41. Every peace officer proceeding lawfully to arrest, with or without warrant, any person for any offence for which the offender may be arrested without warrant, and every one lawfully assisting in such arrest, is justified, if the person to be arrested takes to flight to avoid arrest, in using such force as may be necessary to prevent his escape by such flight, unless such escape can be prevented by reasonable means in a less violent manner.

Under that section, it seems to me, any woman escaping from this reformatory, being by this Bill made liable to arrest without warrant, could be shot and killed by a pursuing officer. This, I think, is a very serious matter. The Criminal Code permits a peace officer to shoot at any fleeing offender who may be arrested without warrant, and the honourable senator from Hamilton contends our law should be made to conform to that of England, where an officer is not allowed to shoot at a person seeking to escape arrest, unless a felony has been committed. I submit that we should very carefully consider what we are doing before we legislate that people of the types confined in reformatories shall be subject to the same perils as other offenders who may be arrested without warrant.

Hon. Mr. DANDURAND: My honourable friend does not mean to differentiate between a male and a female?

Hon. Mr. TANNER: No.

Hon. Mr. BELCOURT: No. My honourable friend makes, and I think very properly, a distinction between a misdemeanour and a felony.

Hon. Mr. TANNER: Under the Criminal Code a person who is guilty of a misdemeanour is just as likely to be shot as one who has committed a felony.

Hon. Mr. BELCOURT: I agree. Is it not a fact that if the Bill proposed by the honourable member from Hamilton is passed it will cover the case of a woman who escapes from a reformatory?

Hon. Mr. TANNER: But the Bill is not likely to carry, I am afraid. We are waiting now for the opinion of the Justice Department.

Hon. Mr. BELCOURT: If it carries, it will cover such a case?

Hon. Mr. TANNER: Yes.

Hon. Mr. BELCOURT: If it does not carry, a woman in such a case will still be on a parity with every other class of offender who may be arrested without warrant. Therefore I do not think it is necessary to deal with this particular matter now.

Hon. Mr. DANDURAND: I do not think there has been any instance of an escaping woman in Canada being shot by a police officer. The officers would know better than to do a thing like that.

Hon. Mr. DANIEL: I have no objection at all to this Bill. It would simply extend to the whole province of New Brunswick the practice which is now and has been for some time in vogue in the city and county of St. John, where women and girls of the Roman Catholic religion who are sentenced to a term of imprisonment under two years may be sent to the Good Shepherd Reformatory instead of to an ordinary jail. This reformatory is, of course, an institution under Roman Catholic auspices. So far as I know, there is no objection in New Brunswick to the Bill.

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

MOTION FOR THIRD READING

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

Hon. Mr. DANDURAND: Is there any reason for having the third reading of this Bill now?

Hon. Mr. WILLOUGHBY: I do not think it is urgent. If there is any objection I shall not press the motion.

Hon. Mr. DANDURAND: In any event, I suppose there is no likelihood that it will be given the Royal Assent very shortly.

Hon. Mr. WILLOUGHBY: Not very shortly, I think.

Hon. Mr. DANDURAND: So it could be put down for the committee stage on Tuesday next.

Hon. Mr. WILLOUGHBY: I cannot say it is an urgent matter. I am quite willing that it should be put down for the committee stage on Tuesday next.

Hon. Mr. DANIEL: Stick to the rules.

The motion stands.

DIVORCE BILLS

SECOND AND THIRD READINGS

On motion of Hon. Mr. Gillis, the following Bills were severally read the second and third times, and passed:

Bill E1, an Act for the relief of Mary Ann Ventura.

Bill F1, an Act for the relief of Beatrice Marie Dumaresq.

Bill G1, an Act for the relief of William Henry Rees.

Bill H1, an Act for the relief of Emily Hughes Macculloch.

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

THE SENATE

Friday, June 12, 1931.

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

Prayers and routine proceedings.

IDENTIFICATION OF ALIENS BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Casgrain for the second reading of Bill A1, an Act to provide for Alien Identification Cards.

Hon. C. P. BEAUBIEN: Honourable members, I think I voice the sentiments of this House when I extend hearty congratulations to the mover of this measure upon the action he has taken. With the desire of better accomplishing this task I will commit a slight indiscretion and take the liberty of reading, without the honourable gentleman's permission, a telegram he has received from the Mayor of Winnipeg. It is as follows:

Hon. Mr. DANDURAND.

Senator Casgrain,
Parliament Buildings,
Ottawa.

Ninety-five per cent at least of Canadian people support the proposed legislation to register and identify all aliens; also your remarks expressed yesterday. We all hope there will be no delay. Congratulations.

I now crave the courtesy of a hearing for a few brief remarks in support of the principle of this legislation. In my opinion the proposed measure is useful and timely. When the tide recedes the rocks and shoals become more apparent, and then is the opportune time to rectify and improve the charts. Is it not much the same in the business world in times of depression? The signs of danger loom up more ominously and then surely is the time to take heed and endeavour to direct the course of events into safe channels.

There is no doubt that Communistic activities throughout the land have lately become intensified. The Red element are now well organized; not only have they their publications, but they have regular offices and schools, some of which even bear the pretentious title of universities. These things in themselves would be less important were not the progress of the Red element so clearly apparent. In order to show the progress of Communism in recent months may I cite to the House the evidence of a few witnesses whose standing, I believe, will be readily accepted. During the last criminal term in Montreal five Communists were condemned for openly inciting to sedition. Two more, I believe, are awaiting trial. The charge of the judge in the case reflects the gravity of the situation, and it comes from one of the highest authorities on criminal matters in my province, the Hon. Judge Wilson, a man whose outstanding reputation as an enlightened, wise and humane judge has been well earned by a brilliant career on the Bench.

To the authority of the Bench I would add that of the Church. The Church in my province to-day has, for the first time in its annals, received the written abjurations of many persons who have insisted upon proclaiming themselves atheists. May I in this respect cite a brief extract from the pastoral letter of the Archbishop of Montreal. Everyone who is familiar with this great personage in the Catholic Church will recognize that so prudent and wise a guide would not write to his flock in these terms without very grave reason. This is what he has written:

What is new and what we cannot easily understand is that the Soviets have found among us adepts, and that men of our own blood, in this very city, are devoting themselves to this task. Sunday and week-day meetings, propaganda in the taverns, secret organizations in our industries, cells through which they

extend their activities—and they spare no efforts. We must not lose sight of the end they have in view. It seems at first blush that it is only anti-religious propaganda. We must not be so ingenuous as to believe that it will stop there: social transformation is their objective.

Their tactics are easy to understand. Religion is a power for order, equilibrium, social security. It opens perspectives, it cultivates supernatural hopes which are essential for the acceptance of life's miseries and harshness. It develops personal austerity, which is satisfied with little and makes work bearable. When religion is faithfully observed and its teachings and consolations enlighten the mind and fortify the will, one is invulnerable. To warp the mind, to embitter the soul, and bring them both to Communism, religion must first be destroyed.

This recrudescence of activity is to be found not only in the city of Montreal or in the Province of Quebec. As an evidence of this I will quote from the Financial Post of Toronto, a well informed and sober-minded paper. This is what it says:

Communist agitators are finding the present depression in business an opportunity for much subversive propaganda. From various Canadian centres disturbing reports of Red activities are coming. These activities are not isolated and localized affairs, but are all part of one shrewdly conducted campaign which has the ultimate objective of weakening or destroying Canadian institutions. Those who are directing the work are foreigners and they work through other foreigners in centres such as Port Arthur, Sudbury, the coal mining towns, etc.

No action is being taken by properly constituted officials of either provincial or Dominion governments to deport the foreign born agitators who lead these Soviet activities in Canada. Our government officials are cruelly, ruthlessly deporting helpless women who are giving this country no real trouble, and at the same time are protecting public agitators who wish to destroy Canadian and British institutions. If some of the time and money spent on deporting the women whose cases have been prominent recently in the papers were spent on routing out and deporting the men back of the Red agitation in Canada, a more constructive work would be done by government officials.

This state of affairs, honourable members, has been apparent not only to the law authorities and to the Church; it has not escaped the attention of the Government. Perhaps I may answer the question that was put yesterday by my honourable friend and colleague from De Lanaudiere (Hon. Mr. Casgrain) to the now absent Minister of Labour. The Minister has had knowledge of this offensive of the Red element and has made it a point to give warning to the whole country. This is what he said quite recently:

The present world-wide industrial depression has naturally given to those people who seek to undermine the present social and political system the impetus to carry on propaganda among the unemployed in the large centres.

There has been, during the year, a score of Canadian delegates attending Communistic conferences in Russia, and evidence is not lacking to indicate that, under the direction and control of a few persons on the North American continent, efforts have been made to spread revolutionary doctrine and arouse in the minds of the people dissatisfaction with existing systems.

If any further evidence is required to prove the activities of the Communists, and the effect of their recent propaganda, let me add the testimony of a gentleman whose opinion, I know, will be acceptable to you. I refer to the venerable Sir William Mulock, Chief Justice of Ontario, who says:

If Canada is content to have her laws made by those who deny the existence of God; who would suppress religion; who would destroy the sacredness of marriage and who would nationalize women; who would extinguish the love of parents for their children or children for their parents; who would abolish home life—one of the chief sources of human happiness; who would deprive children in their tender years of a mother's care and expose them to the imminent danger of growing up as criminals; who would rob all citizens by any degree of force, up to that of murder, of all their worldly goods and leave them penniless; would make it a crime for one to save; would deprive people of liberty and would make slaves of them to the State—if, I say, those are the conditions which Canada is content to have established in Canada, then let her open her doors wide and admit into full citizenship the millions of the people of that class. But if Canada does not wish to become a hell on earth, she should rid herself at once of those who would, if they could, make her such, and let her prevent any of that kind of people ever setting foot on Canadian soil.

This outbreak of the activities and propaganda of the Communists has not been confined either to my own province or to the Dominion; it has been general throughout America, and I think I may say throughout the world. Perhaps honourable members would not think it amiss that I should quote from a very important and interesting report lately made by a special committee created by the Congress at Washington to investigate Communistic activities. This committee took evidence in nearly every large centre throughout the United States and heard testimony from people of all classes. Strange to say, the chiefs of the Communists in the United States dared, for the first time, to come forward and offer their testimony. Previously the Red element had always worked underground at their nefarious trade. Now they fight brazenly in the open. Just listen for a few moments to what William Z. Foster, the chief of the Communists in the United States, had to say before the commission. This gentleman was twice nominated as the candidate of the Communistic element in the presidential elections of the United States. This is what he said:

The Chairman: They are opposed to our republican form of government?

Mr. Foster: Most assuredly.

The Chairman: And they desire to overthrow it through revolutionary methods?

Mr. Foster: I would like to read from the program of the Communist International at this point. The Communist International program says:

Mr. Bachmann: From what page are you reading?

Mr. Foster: P. 34. "The conquest of power by the proletariat does not mean peaceful capturing of ready-made bourgeois state machinery by means of a parliamentary majority. The bourgeois resorts to every means of violence and terror to safeguard and strengthen its predatory property and political domination. Like the feudal nobility of the past, the bourgeoisie can not abandon its historical position to the new class without a desperate and frantic struggle; hence the violence of the bourgeoisie can only be suppressed by the stern violence of the proletariat.

The Chairman: My question was—you read something from the Third International—just what is the Third International?

Mr. Foster: The Communist International is the world party of the Communist movement.

The Chairman: Is the Communist Party of the United States connected with it?

Mr. Foster: It is.

The Chairman: In what way?

Mr. Foster: It is the American section.

May I quote further from his depositions?

The Chairman: That is, what you advocate is a change of our republican form of government and the substituting of the Soviet form of government?

Mr. Foster: I have stated that a number of times.

The Chairman: Now, if I understand you, the workers in this country look upon the Soviet Union as their country, is that right?

Mr. Foster: The more advanced workers do.

The Chairman: Look upon the Soviet Union as their country?

Mr. Foster: Yes.

The Chairman: They look upon the Soviet flag as their flag?

Mr. Foster: The workers of this country and the workers of every country have only one flag and that is the red flag.

The report further shows that in the sixteen states where the Communists had candidates for public office the number of votes in support of Communist candidates has increased no less than 229 per cent from 1928 to 1930. The report especially emphasizes the fact that no less than 70 per cent of the active Communists in the States are aliens possessing no right to vote.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. BEAUBIEN: The Red element have made a determined but unsuccessful effort to capture the American Federation of Labour. They have created havoc among different branches of the legitimate labour unions. It is very interesting to compare the

nefarious attempts of the Reds in the United States and in Canada, and if the House will permit me I shall quote further:

If it were not for the fact that the American Federation of Labour, under the patriotic leadership of William Green and his predecessor, Samuel Gompers, have refused to compromise with the Communists in the United States, who have been trying to bore from within in order to gain control of the labour unions, Communism would be a serious threat to American industry. Great credit should be given to the American Federation of Labour for combating and exposing the aims of the Communists to undermine our republican form of government and destroy our industries.

While the Communists so far have been unsuccessful in their plans for "boring from within," and "capturing" the American Federation of Labour, they have succeeded in weakening and virtually breaking up and destroying a number of the important unions of the Federation, notably in the garment, needle, textile and mining trades. In the coal mining fields of Pennsylvania and Illinois, in the garment and fur trades in New York City, in the mills at Passaic, New Jersey, in the woollen textile mills in New England centering at New Bedford, and in the cotton mills of the South centering at Gastonia, the Communists have fomented strikes or gained the leadership of strikes already called. Those strikes were most violent and destructive, culminating in riots, violence, destruction of property, assaults and murders; necessitating the calling out of troops, and a virtual state of civil war in the various sections ensued.

This report is dated the 19th of January last, and has only recently been submitted to the Congress at Washington. Therein I find also a probable answer to those who criticized Canada's embargo against importations from Russia, for it is clearly shown that Russian trade is much less profitable and much more hazardous in its consequences than is generally believed. Here is what it says:

The sale of thousands of tractors, harvesters and threshing machines to the Soviet Government by American concerns is one of the causes that have begun to seriously affect the wheat growing farmers in the United States.

For the past eight years the average value of wheat and flour exported from the United States to all other countries amounted to $257,000,000 annually. The total amount of American goods sold and shipped to Russia during the last three years amounted to $224,000,000, or less than the total amount of wheat and flour exported annually.

Sources favourable to Soviet Russia have been issuing grossly exaggerated stories regarding the actual value of our export trade to Russia. The following are the official figures of the Department of Commerce showing by years the amount of the export and import trade:

Year	Exports	Imports
1925..	$68,906,060	$13,119,673
1926..	49,905,642	14,121,992
1927..	64,921,693	12,876,790
1928..	74,091,235	14,024,525
1929..	84,725,205	22,555,714

These figures appear very small when compared with the grossly exaggerated sums of money which our friends across the line were supposed to be coining from their trade with Russia. The report goes on:

Although the balance of trade is in our favour, the actual amount of cash that has been paid by the Soviet Government in the last few years has not averaged over fifty cents on the dollar, because of the long time credit extended by American firms.

The Committee considers that it is justified in placing all the facts before the American people and particularly the wheat farmers at some length. The fact is that the quarter of a billion dollars of wheat exported annually is dwindling down rapidly to a vanishing point. Wheat, next to cotton, has been our biggest export crop, but is now on the way to the scrap heap, as it cannot compete with wheat produced in Russia on confiscated lands and by labour receiving fourteen cents gold per day, backed by American tractors, combines, credit and brains.

Finally, the report clearly states that the five-year plan of the Soviet Union is not intended only to benefit the home Union and Government and to improve the conditions of the Russian people. It goes much further. Its purpose is not to build up, but to tear down and destroy. "Pravda," the Communist organ, of August 29, 1929, fully defines its purpose:

It is a plan to undermine capitalist stabilization. It is a great plan of world revolution.

Now, is there any practical benefit that we can extract from this report? May I quote the two most important recommendations made in it?

(1) Enlarging the authority of the Bureau of Investigation of the Department of Justice, for the purpose of investigating and keeping in constant touch with the revolutionary propaganda and activities of the Communists in the United States; and to provide for additional appropriations for skilled agents to devote their entire time to investigating and preparing reports on the personnel of all entities, groups, individuals, who teach or advocate the overthrow of the Government of the United States by force and violence.

(2) Strengthening immigration laws to prevent the admission of Communists into the United States, and providing for immediate deportation of all alien Communists.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. BEAUBIEN: I pause here to inquire whether both these recommendations could not be advantageously followed by Canada. If Canada did adopt them, we should have in the first place a better check on all the Communistic people who enter our country, and, secondly, by keeping in constant touch with those people we could keep a better control on their nefarious work. In my opinion the passing of the Bill before the House would enable us to follow these recommendations. By putting such a law into force Canada would give notice to Bolshevik agents at Moscow that if they come to Canada a full record will be kept of their names, addresses, ages, nationalities, occupations, and so on, and that they may be followed, shadowed and, if necessary, arrested and deported to the country which they seem to be so eager to serve.

Does any honourable gentleman think that Communism is being carried on in our country gratuitously? Is payment not being made for all the propaganda issued through the medium of the press and in leaflets and by means of certain schools open in Montreal every Sunday? My honourable colleagues from Toronto and other parts of the country know whether such schools are being conducted in their localities. All that work is being paid for by somebody. Honourable senators will remember that a few years ago the coal mines and the iron and steel industries in Cape Breton were almost ruined by constant strikes. To my own knowledge those strikes were financed by money from Moscow. Would not the Soviet agents be deterred from coming to Canada if they knew that after crossing our border they could at any time be asked by an officer to produce their cards?

I have gone to a good deal of trouble to find out what the views of the police are about this whole matter, and they tell me that it is virtually impossible to keep in touch with the activities of Communists in our land, because these people keep changing their names and addresses. Under the present law the police cannot do much unless they have definite evidence upon which to work. How different it would be if an officer could ask for the card of any person suspected of being a Communist. Such a person either would or would not be able to comply with the officer's request. If a card were produced, the police could check up the sworn statements it contained, and anything found wrong in the identification of a suspected person would be used against him in any proceedings that might be deemed necessary.

This Bill is by no means new legislation. May I read to the House a clause of the law of France in regard to the identification of foreigners:

Every stranger who wishes to reside in France more than fifteen days and who is more than fifteen years of age is obliged within forty-eight hours of his arrival in the first locality where he intends to reside, to request from the Prefect of the Department a card of identification. A receipt for this request shall be given to him. If during the period of residence mentioned in the card the applicant is

obliged to travel, the receipt handed to him will serve as a passport. He must have this receipt viséed upon his arrival in any locality or upon his departure therefrom, and the card of identification shall be accepted as a passport.

There is an analogous, but perhaps more stringent, law in Norway. In that country a stranger is obliged to make his request for an identification card within six days of his arrival. Similar laws are enforced in Italy, Switzerland, Roumania and, no doubt, a great many other European countries.

I have taken the liberty of requesting an opinion on the principle of this Bill from certain persons both in the office of the Crown Prosecutor and in the Police Department of Montreal who have been in touch with the activities, especially in recent times, of Communists in that city. I refer only to the principle of the Bill because I know that my honourable friend from De Lanaudiere (Hon. Mr. Casgrain) does not contend that the drafting of the Bill as it stands is perfect. In my opinion amendments are required, and no doubt will be made by the special committee to which, I hope, the House will send the Bill. All the Montreal police officers whom I have consulted have agreed that a law of the kind suggested here would be of great help to them—that it would strengthen their hands in dealing with the Communistic menace, which, honourable senators, is becoming far more serious than those who have no direct evidence of it are inclined to believe. I received yesterday the following telegram from the Director of the Montreal Police Department:

> Am strongly in favour of identification cards in Canada especially in the city of Montreal in order to control the foreign element.
>
> Fernand Dufresne,
> Director of Montreal Police Department.

I have but one last word to say. It has often been truly said that Canada is a rich country. Yes, it is a rich country, a country blessed by Providence with enormous natural resources. But Canada's most precious asset is her people. We have a hard-working, law-abiding, moral, God-fearing population. In the Province of Quebec many of these sterling qualities are due to the influence of the clergy. When a man is down and out, or when he is dying, he looks to the clergy for relief and consolation. Honourable members, if you wish to know the true condition of things in that province I would advise you to visit some one of our Catholic institutions in Montreal at meal time. There, even at this season of the year, which is supposed to be a period of activity in nearly every line of work, you would see long cues of men waiting to receive sustenance for themselves and their families. While I respect the opinions of those who differ from me in the matter of religion, I cannot help remembering with pride what has been said to me, time and again, by persons of a different faith in my province: "We owe a great debt of gratitude to your clergy, because they have contributed mightily towards keeping the people of this province hard-working, law-abiding and God-fearing." Now, for the first time, Bolshevik ideas have attacked and are penetrating the very soul of our people. Now, for the first time, these ideas are perverting people born and brought up in the province, notwithstanding their traditions and their faith. Is it not time for us to protect our own citizens? We have our troubles, like every other nation, but this is a young country, immensely rich in natural resources, and if the quality of our citizenship is maintained we shall emerge from the slough of stagnation sooner than any other nation. First, however, we must do all we can to maintain the high quality of our people, and in these days of reaction we cannot do that unless we defeat the propaganda of Communism throughout Canada.

Hon. J. J. DONNELLY: Honourable members, with most of the remarks of the honourable member who introduced this Bill (Hon. Mr. Casgrain) and of the honourable gentleman who has just taken his seat (Hon. Mr. Beaubien) I fully agree. I realize that the Soviet propaganda being carried on in our great cities and in the remote parts of our country is a very serious menace. Nevertheless, I fail to see that the legislation that we are now considering is going to improve the situation to any great extent. Many of the people who would be affected by this legislation came here in the best of faith and with the intention of being good Canadians, and their children are growing up with the same intention. If we enact this legislation we at once segregate them, as it were. In effect we say: "We mistrust you; we have to earmark you; we are going to watch you." My experience of human nature is that if I have a man working for me and I wish to obtain good results I have to place my confidence in that man. If he believes that I distrust him he will never he faithful. I fear that the effect of this legislation will be the opposite of what is intended by the honourable gentleman who introduced the Bill. I think the tendency of the legislation would be to solidify a certain element and put them into one class.

There is another objection that I have to the Bill. It degrades people without giving

them a trial. We have in this country legal means whereby we can deal with people who violate our laws. We can, if necessary, deport them. But we have no right to say to aliens in Canada: "Without any trial, without any charge being laid against you, we are going to classify you as dangerous people." For this reason I cannot support the Bill.

Hon. N. A. BELCOURT: Honourable members, I intend to say but a few words in support of what my deskmate (Hon. Mr. Casgrain) and the honourable gentleman opposite (Hon. Mr. Beaubien) have so well said. I thoroughly agree that this Bill is to-day an urgent necessity. I do not know that a few years ago I should have been as ready to respond to the appeal which has been made to us as I am to-day. The activities of the Reds in Canada have no doubt increased very much of late, and I think it is only prudent to take precautions so as to be able to watch these people and deal with them.

That is not the only justification for a law of this kind. In the last few years we have had a great many immigrants from different parts of Europe, some of them from parts where criminality is very much in evidence, and from my knowledge, gained from the records of the criminal courts of the city of Montreal, for instance, I may say that a great many of those who are responsible for criminal activities in this country are aliens who have not applied for naturalization and who, if they did apply, would not receive it. I believe that is the case also in Toronto and in other places. In the seaports, such as Halifax, Saint John and Quebec, these people, who are not responsible to our laws, who are here to-day and gone to-morrow, and who when here cannot be found, contribute largely to the list of crimes.

I do not agree with my honourable friend who has just spoken (Hon. Mr. Donnelly) that the registration of these people would be degrading. We are not degraded when the census is taken. Every Canadian must submit to the census: he has to give his name, his age, his occupation, where he resides, and so on.

Hon. Mr. DONNELLY: That applies to everybody.

Hon. Mr. BELCOURT: Of course it does.

Hon. Mr. DONNELLY: That does not classify the people.

Hon. Mr. BELCOURT: But why should it not apply to these aliens, who, as is well known, do not give their names, their occupations or their addresses. Surely people who are hiding all the time ought to be under a greater obligation than good Canadian citizens to disclose their whereabouts and their nationality. I do not think they are being singled out for special attention; they are only being compelled to do exactly what good Canadians are expected to do. It seems to me that the legislation proposed by my honourable friend ought to appeal to every member of this House. To my mind it has become, as I said in the beginning, an urgent necessity, and I hope it will be accepted by the House.

Hon. JAMES MURDOCK: Honourable members, yesterday and to-day I listened to the most distressing discussion that has reached my ears in a long time. To my mind the whole discussion so far might be summed up in the old saying that Nero fiddled while Rome burned. The menace of Bolshevism is in my judgment the least of Canada's troubles to-day, and in my view nothing that could transpire would improve the status of Bolshevism in Canada more than does the discussion that has taken place.

What is Communism? My honourable friend opposite (Hon. Mr. Beaubien) talked about and quoted Foster, the leader of the Communists. I know him very well.

Hon. Mr. CASGRAIN: That is nothing to boast about.

Hon. Mr. MURDOCK: I do not think it is any discredit to me. I know him to have been, in the days gone by, one of the warmest-hearted enthusiasts for the under dog. He has been driven, as I think, to desperation by the failure of those who have the opportunity of changing certain conditions to alleviate the sufferings of the downtrodden, and at last, with a view of vengeance, has gone to unreasonable lengths, which of course we will not tolerate for a moment. But in this discussion—and I say this with all due respect to every honourable gentleman in this House—we are giving that man and others of his kind a distinction that otherwise they could not have hoped for. To me it seems very unfortunate that the Senate of Canada should bring up a subject of this kind in the way we have done, thus giving it an importance that it does not deserve.

While I say that, I am all in favour of placing identification cards in the hands of the aliens in Canada. At the same time I am wondering what will happen by way of retaliation. In the city of Winnipeg, for example, it would be necessary for us to label, I think, some 20,000 American citizens, possibly more, who have never become naturalized in Canada.

Hon. Mr. CASGRAIN: Why not?

Hon. Mr. MURDOCK: Then what about the 200,000 or more Canadians who are to be found in the highways and by-ways of the United States, and who by retaliatory legislation might be required to take out such a label? I can see that honourable gentlemen opposite—yes, and on my own side of the House—will not be unduly influenced by my views; but I want to assure you that those views have been derived from looking in the eye more Communists than I think any other member of this House has ever seen. For five weeks recently I was, as I knew, looking in the eye and talking to a number of Communists who were sitting among the delegates of the organization to which I belong, a part of the great labour system of this country, which was so highly complimented by my honourable friend across the way (Hon. Mr. Beaubien). What must we do with such men?

Hon. Mr. CASGRAIN: Deport them.

Hon. Mr. MURDOCK: Not necessarily. Let us make conditions so reasonable and fair that they will see the necessity of being good and decent citizens of Canada. That is what we must do.

Last night and to-day we listened at great length to a discussion of a real or an imaginary condition. To my mind it is wholly imaginary. We did not dignify the discussion with any mention of the fact that in this capital city the other night, as we are told by the press, sixty-eight men of twelve different nationalities, who, being without work and without a roof over their heads, had erected a shelter out at the dump by the Rideau river, were taken in patrol wagons to the police station, where they were given bread and hot coffee—"I was an hungered, and ye gave me meat: I was a stranger, and ye took me in"—then they were turned loose, with the understanding that the only bit of covering they could get was to be destroyed. They were not to be permitted to have even that crude shelter. There have been no reams of eloquence from this Chamber on that incident, which has occurred right in the capital city of this land of plenty.

To me it seems unfortunate indeed that we should not devote more of our time and energy, and the great wealth of experience of honourable members of this House, to remedying some of the conditions that exist in this Canada of ours, so that it will become impossible for the seed of Bolshevism or Communism—or call it what you like—to germinate and grow. When all is said and done, Bolshevism or Communism is only resentment carried to the point of a desire for vengeance; nothing more and nothing less. In a humble way I have been fighting Bolshevism for many years, and I do not fear it. I repeat that it is one of the least of Canada's troubles to-day, and I say that there are many others to the rectification of which we should be devoting our time and energy in order that the seed of Bolshevism may not grow in this country.

I am in favour of the registration of aliens. Why? Merely so that we may know who we are, what we are and where we are going. But I regret that this discussion should have taken place here, because I know from experience that it will be carried broadcast throughout the length and breadth of the land, accompanied by the statement that the Senate of Canada is scared and on the run. I think such a discussion was a mistake, and I wish it had not taken place. So far as the Bill is concerned, if it were amended so as to make reasonable exception for bona fide American citizens, I should be in favour of it. I hope that what I have said will not be regarded as an attempt to deal with the underlying purpose of the Bill. My point is simply this, that I feel we have been dealing with the matter in a wrong way and that the discussion we have had here will be made too much of by those to whom we have been referring.

Hon. ROBERT FORKE: Honourable senators, when the honourable member from De Lanaudière (Hon. Mr. Casgrain) introduced this matter yesterday I had no intention of taking part in the discussion; but I feel it is necessary to make a few remarks now, since he alluded to me a number of times and indicated that I was at least partly responsible for the fact that a considerable number of foreigners have immigrated to Canada in recent years. I think it is necessary to make a few explanations, because I fear there is a good deal of misunderstanding about the question of immigration from the continent of Europe. When I was in charge of the Department of Immigration, every speech of criticism of that Department that was made in another place included, I think, a statement to the effect that the Government was spending money to bring immigrants to this country or to aid them to come here. The honourable senator who is sponsoring this Bill (Hon. Mr. Casgrain) made some remarks to the same effect. Now, I take advantage of every opportunity I can get to contradict that statement, because the fact is that the Dominion of Canada has not expended one dollar to bring immigrants from the continent of Europe. I hope honourable senators will remember that.

Hon. Mr. CASGRAIN: Not in Sir Clifford Sifton's time?

Hon. Mr. FORKE: No.

Hon. Mr. CASGRAIN: What about W. T. R. Preston?

Hon. Mr. FORKE: Well, I had better restrict my remarks to my own experience: perhaps I have gone too far back. During the period of almost four years when I was Minister of Immigration not one dollar was spent by the Government in aiding immigration from continental Europe to the Dominion of Canada. The only European immigration expenses we had were connected with a few officials at some of the ports for medical and other examinations; we had no other officials over there. And the Government did not even endeavour to induce people to come here from Europe. Whatever was done in that respect was, as all honourable members know, done by the railway companies.

In 1927, the first year that I had complete control of the Immigration Department, there had been an agreement made with the railway companies for them to bring in agricultural immigrants from the Continent. I left for the Old Country about the close of the parliamentary session. I am sorry to have to say, what I have said on previous occasions, that the railway companies overstepped the mark and brought a great many more people here than they should have brought. They were halted that summer, but by that time thousands of people had been brought over. In 1929 I passed a regulation that the total number of immigrants permitted to enter that year should be only 30 per cent of the total for the previous year. The next year I made a regulation that we would admit in 1930 only 25 per cent of the total that had entered in 1929. That is what I did to curtail immigration. I am not making a speech in defence of the Department of Immigration, nor of myself as Minister; I simply want to state the facts as clearly as possible. When I entered that Department in 1926 there was a cry from all parts of the Dominion for immigrants. Every board of trade, every mayor of every city and every man of any importance from Halifax to Vancouver who made a speech emphasized that what we needed in Canada was more immigration.

Hon. Mr. DANDURAND: Hear, hear.

Hon. Mr. FORKE: They said that we needed more people to pay our taxes and to make business for our railways. Consequently when I assumed office I thought that perhaps the right thing to do was to speed up immigration a little. But I had not been in office very long until I realized that we were getting more people that we could readily absorb, and then I made the regulations to which I have referred. Some honourable senators may remember that the presidents of the railway companies issued a joint letter, which was published from one end of the country to the other, condemning my action in restricting immigration, claiming that there would be a shortage of labour and that I had, in fact, made a mess of things.

I think it is only just to myself to remind honourable members that in 1927 I was severely criticized by the Opposition in another place on the ground that we had failed to bring in enough immigrants. It was pointed out that 402,000 persons had come to Canada in 1914 and that I had reduced the flow to the comparative dribble of 150,000. But the same gentlemen who were so loud in their criticism stood up in their places two years later, in 1929, and condemned me in strong language on the ground that I had flooded the country with immigrants for whom there was no employment. Such is political life, honourable members.

In regard to the matter of registering aliens, perhaps it is not generally known that the Department of Immigration has a system of registration in effect. Although an immigrant is not required to carry a registration card, he is obliged to register on entering the country and to prove at any time upon the demand of an immigration officer anywhere in the country that he landed in Canada legally. I venture to say that honourable members would be astonished if they knew how well informed certain officials of the Immigration Department are with regard to people who have come into our country during the last few years.

I have listened with a great deal of interest to the speeches that have been made on this Bill, and I appreciate the motives of honourable senators who have supported it. I have to compliment the mover and the seconder on their industry. I agree to a certain extent with the remarks of the honourable member who preceded me (Hon. Mr. Murdock). It seems to me that the situation is not nearly so dangerous as some honourable members imagine it is. Not long ago it was announced that there would be a parade in the city of Winnipeg. The city authorities, headed by the mayor, refused to let the people parade and ordered them to take to the sidewalks. Consequently there was a great deal of irritation. It is well known that a crowd of people will do things that none of them

would think of doing as individuals, and that owing to the peculiar psychology of a mob any slight provocation is likely to result in trouble. A little trouble did occur on that occasion, but nothing serious. The people walked along the sidewalks as they were ordered, and there was merely some scrambling. These people were not Communists exactly, but Socialists and unemployed. Later they applied for and were given permission to parade in the city streets. They lined up on the square in front of the City Hall. I saw that parade and, as perhaps I have mentioned here before, the whole thing was conducted in an orderly fashion, with no disturbance whatever, and ended in speeches. Had these people been refused the use of the streets and been herded on to the sidewalks, had they been tormented by the police supervision, it is likely there would have been violence. This second parade was so quiet that there was hardly any mention of it in the local newspapers, whereas the previous affair was heralded all over the Dominion. Nothing will foster the spread of Communism like persecution of people who are behaving themselves and obeying the laws of the country.

The honourable gentleman from De Lanaudière (Hon. Mr. Casgrain) said a great deal about Russians. In the last four or five years very few people have come from Russia to Canada; in fact, it has been difficult to get them to come. My friend the Lieutenant Governor of Manitoba was desirous of getting from Russia a family of Mennonites named Penner to work on a farm. He appealed to me when I was in charge of the Department of Immigration to see if I could do anything to assist him in the matter, but I could not. It seems that the people had some money, and the Russian Government try to prevent people who have any money from leaving the country. The system is to bleed them white by raising the cost of passports, which was at first $50 a head and was increased to $100 and later to $200.

Hon. Mr. DANDURAND: They are now asking $250 for a passport.

Hon. Mr. FORKE: So those people were never able to get out of Russia. As I say, we are not getting any immigrants from there now. Last year a large number of Mennonites who had no sympathy with Soviet ideas were dispossessed of their farms by the method of excessive taxation. They camped around the city of Moscow, but the Soviet Government notified them that unless they moved they would be transported to Siberia; that is, loaded on cattle trucks and taken to the plains in the dead of winter to starve and freeze to death. They were German Mennonites, and the Consul of Germany in this country inquired of me whether they would be allowed to come to Canada. I told him I would not say anything in reply until I had consulted the provincial governments. I might explain that the German Government undertook that Canada should be put to no expense for the transportation of these people and that arrangements should be made to take to Germany any of them whom we might wish to deport. I passed on these representations to the Premiers of the three Western Provinces and asked for their advice. From two of the provinces I received the advice that although it was believed that the Mennonites in question were of a good class and would not be any burden on the country, for they would be taken care of by the Mennonites already in the West, yet, owing to the present feelings in the West, it was considered unwise to bring in these immigrants. The third Government made a statement to the newspapers to the effect that it had prevented me from forcing a large number of foreign immigrants upon the province. That is another illustration of what happens in politics.

Now, with regard to foreigners, I do not like to see them all put into one class. I have had a lot to do with foreigners in Western Canada. While the honourable member for Parkdale (Hon. Mr. Murdock) was speaking my memory was carried back to some meetings that I attended in the northern part of Manitoba a few years ago. I recall on one occasion making a speech in a little schoolhouse. I could speak only in English, with a good Scotch accent perhaps. There were a number of young people in attendance. It was a pleasure to speak to them, for they showed a keen interest in what I said. It was in the winter-time and a few old gentlemen were sitting around the stove, smoking their pipes and paying no attention to what was going on. Many of those people were born in Manitoba, and I pointed out that they had a better standing in this country than I had, because they were native Canadians. I added that this was their country and they ought to be proud of it, and if they behaved as they should they would get on well and Canada would be proud of them. After the meeting was over the younger people crowded around me and told me—for they were able to speak English—"Yes, Mr. Forke, we like this country. It is ours and it is the only one in which we are interested."

I noticed in a newspaper the other day a paragraph, which perhaps was seen by some of my honourable friends, referring to a poor couple who left Poland some years ago and settled in the United States. The man continued to work at the same trade that he had had in the old world. They had three children, two girls and one boy. One of those daughters has become a famous editor, the other a novelist, and the son is Dr. Albert Michelson, one of the greatest scientists in North America and, indeed, in the whole world. The parents of this brilliant family were poor immigrants. For all we know, the children of some poor foreigners who have come to Canada will bring renown and honour to our great Dominion. Among these people I have known many who possess splendid qualities and will be, I think, a credit to this Dominion which they have made their home.

I have really no objection to the registration of aliens. There might be a little friction, as my honourable friend from Parkdale (Hon. Mr. Murdock) has pointed out, if we required Americans, for example, to register; but if they come to this country and make a living here they should not be averse to putting their names on a card.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. FORKE: As to aliens from other foreign countries, there will not be so many of them, because a great majority of them are taking out citizenship papers. It is surprising what a long list is published in the Canada Gazette every month of immigrants who have become naturalized. I heard it said the other day that immigration to Canada had been entirely stopped. I think I shall do no harm by stating that I am perfectly in accord with the policy that is being carried on by the Immigration Department at the present time. Immigrants are still coming here. The last year I was in the Department about 160,000 entered, and I notice from a recent report that over 100,000 came in in 1930. It is not so easy as many people may suppose to put an end to immigration. There is a regulation which permits any Canadian citizen, whether native born or naturalized, to bring to Canada his father, mother, brother or sister, so long as it can be shown that they will not be a burden upon the country. So long as that law remains in force it is likely that there will be at least 100,000 persons coming to Canada from the continent of Europe every year.

Hon. Mr. CASGRAIN: Do we want them now?

Hon. Mr. FORKE: Perhaps we do not want them, but I do not think they will be any great source of danger. The great majority of people in Canada are fine, sane, law-abiding people, and a few Communists among them will not make much progress. Perhaps the danger is greater under present circumstances than it would be in normal times, and I agree with the last speaker (Hon. Mr. Murdock) that it is the duty of every one of us to do what we can to improve conditions and bring in the day when abounding wealth shall not exist alongside of abject poverty. One does not need to be a Communist to entertain these sentiments, or to desire to level things as far as he is able. I cannot understand how rich people can be happy when others are in want of food and raiment and shelter, and I think it should be the effort of every senator and member of the House of Commons to remedy the situation. I do not want to pretend that I am any better than anybody else, but I sometimes think that in these bad times we should forget our political partisanship and try to effect an improvement in present conditions.

Hon. Mr. MURDOCK: May I ask the sponsor of this Bill a question?

Hon. Mr. CASGRAIN: Certainly.

Hon. Mr. MURDOCK: If this Bill became law, would it be necessary for the senator from Brandon (Hon. Mr. Forke) and the senator from Parkdale (Hon. Mr. Murdock) to carry identification cards?

Hon. Mr. CASGRAIN: Are they aliens?

Hon. Mr. MURDOCK: They were not born in Canada.

Hon. Mr. CASGRAIN: Are they aliens? The honourable gentleman ought to know that. He has been a Cabinet Minister, and if he does not know that, he never should have been.

Hon. J. J. HUGHES: Honourable senators, the discussion of this question has directed our attention to Russia and to the revolution that took place in that country a few years ago. As a rule, man is not a revolutionary animal, but would rather live in peace, and the history of mankind proves that he will suffer a great deal before he will resort to revolution.

Revolutions may not be always bad in themselves. There was a revolution in France nearly two hundred years ago, and I think it produced good results: it made a better country of France, and I think it had a good effect on the world. The revolutionary war

in the United States had a good effect: it was well for that country, and I think it was well also for Great Britain. The overthrow of Spanish rule in South America had good results, and the revolution in Russia may produce some good. A short time ago the Toronto Star had an editorial to the effect that Russian Socialism or Socialism of that brand, might be Christianized, but that it would be difficult to Christianize capitalism.

Our friend who introduced this Bill (Hon. Mr. Casgrain) called attention to the horrible state of affairs in Russia at the present time, but he failed to mention the conditions in that country under the old regime. They were intolerable. The Church at that time, being a department of the Government, seemed to condone, and perhaps did condone to some extent at least, the official depravity of the ruling classes. As a result, hatred was ground into the marrow of the bones of the people, and they identified the Church with the State. There were causes in Russia that produced the revolution. If we concentrate entirely upon conditions in that country we may lose sight, as my honourable friend to my right (Hon. Mr. Murdock) has said, of the situation in Canada and the rest of North America. We shall not have revolution here unless there is cause for it. We need not worry about that.

Are conditions in Russia to-day as bad as they are painted? There is a suspicion in the minds of many people that a great deal of what we hear is propaganda. The honourable gentleman who introduced this measure (Hon. Mr. Casgrain) referred to an eminent engineer of the United States, Col. Cooper, who went to Russia some time ago, lived there, and took part in the work of the country. Presumably he should know the circumstances pretty well. When Col. Cooper came back to the United States he said that conditions in Russia were not at all as they had been painted. My honourable friend who introduced the Bill said that Col. Cooper was paid for saying that kind of thing. That is an insinuation that I do not think was justified.

Lest in our eagerness to improve the situation in Russia we lose sight of conditions in Canada, I will refer to an editorial appearing in the Montreal Star of June 4 of this year. It is headed "The Unemployed," and reads:

> An immediate crisis faces the city. There are vast numbers of genuine unemployed still walking our streets in dire need. A certain amount of promiscuous, unconcerted aid is being given by charitable organizations and individuals. The Dufferin School was closed in April, but it will soon be necessary to do something to relieve the distress. People cannot be left to starve to death, with suicide as the only alternative.

Such is the situation in the city of Montreal, and it is worse in the West, although this is the spring of the year in Canada, the land of plenty, and it can, I think, be truly said that Canada is better off than any other country in the world, even the republic to the south. Is there anything much worse than that in Russia?

Now, the origin of the conditions prevailing not only in Canada and in the United States, but all over the civilized world, does not date from yesterday. They must be due to causes that have existed for a great number of years—for decades, perhaps for centuries—and our attention might well be devoted to trying to effect some improvement. I think the attention of the whole world ought to be directed to that phase.

I read in some of the newspapers a few days ago that Sir George Paish had said—I believe I am quoting him correctly—that revolutions were inevitable unless drastic changes were made in the economic condition of the world. What is the economic condition of the world? I have much fault to find with what, for want of a better term, I will call capitalism, a system under which the strong have very little regard for the weak. Almsgiving can never take the place of justice. There is a good deal of almsgiving in the world, but there is not much justice in the business world of Christendom. We should seriously reflect upon the situation in Canada. There should not be in this country acute destitution, following widespread unemployment, while we have also wealth and abundance. If we take care of that situation we need not worry about revolution; if we do not, we may have something to cause us concern.

In the last century a thoughtful and forceful writer compared the human race to a caravan crossing a desert. I will try to paraphrase his views. In order that the caravan might fairly represent the human race, it had to consist of all kinds and conditions of people—the weak and the strong, the prudent and the imprudent, the generous and the covetous. In the desert water would be a prime necessity, and presumably those composing the caravan would have sense enough to carry with them sufficient water to supply them to the end of their journey. The prudent, however, knowing that the imprudent would not carry enough water for their needs, provided themselves with more than enough for their own use. Now, by natural justice those persons who through their own intelligence and physical efforts had that extra supply of water and provided it in a place where water did not naturally exist would be entitled to sell it

to those who needed it. It was their property and natural justice gave them the right to make use of it. There were, however, others in the caravan who knew that springs of natural water existed in certain places in the desert, and who by reason of their physical strength were able to push ahead of the main body and seize those springs. They called them their own, and when the main body came up they compelled all who wished to drink to pay for the privilege of drinking. There was rank injustice in that. They had done nothing to create those springs or supply the water; it was the property of the Father of all the human race; and inherent justice would demand that the whole body of the people should have access to it.

Hon. Mr. CASGRAIN: If a man finds a gold mine, what then?

Hon. Mr. HUGHES: Unfortunately it is largely his. The natural resources of nearly every country, particularly in Europe, have been alienated. Consequently there are millionaires on one side while on the other there are thousands and millions of paupers. The natural resources of this country are being taken away from the people. That is probably the greatest cause of the destitution and the difficulties and unrest of the present time, and such has been the source of our troubles for hundreds of years past. The natural resources of the country are the springs, and they belong to all the people. The capitalist class may not approve of what I am advocating, but surely it appeals to men who really wish to be honest with their fellow men.

There are only two classes of men in the world, the working man and the beggar man—I would almost use the harsher word "robber." Every man who is doing useful work with brain or hand is entitled to the full possession of, and the full return on, everything he produces, but he is not entitled to that which the Creator made for all the human race. There lies the very foundation of our troubles. Certainly there will be no immediate change; whether there ever will be a change I do not know. In the Old Country at the present time the Chancellor of the Exchequer has introduced a budget which endeavours to some extent to take, for the use of all the people, the wealth produced by all the people —the communistic wealth, the wealth of the community.

Hon. Mr. CASGRAIN: Does the honourable gentleman approve of that?

Hon. Mr. HUGHES: I do.

Hon. Mr. CASGRAIN: Then he is a Communist.

Hon. Mr. HUGHES: Yes, to the extent of natural justice I am.

Hon. Mr. CASGRAIN: That is enough.

Hon. Mr. HUGHES: So is the head of the Church to which my honourable friend says he belongs. We had introduced here a short time ago a budget reducing the taxes paid by the very wealthy classes and increasing the taxes paid by all the other classes.

Hon. Mr. CASGRAIN: I am with you there.

Hon. Mr. HUGHES: Then we are both Communists. Does taxation of this character give any hope? If this country and the other nations of the world can make conditions better for their people than they are in Russia, Soviet propaganda will have no effect. If conditions are not made better, these registration cards will not give much protection. I do not know whether they will do any harm, but they will have so very little effect upon the root of the trouble that I feel it makes very little difference whether this Bill passes or not.

Hon. Mr. CASGRAIN: Every little helps.

Hon. Mr. HUGHES: But my honourable friend is opposed to what would really help, and he is not the only one. I am afraid he belongs to that class of people who are opposed to doing anything that will really assist in making the people satisfied and prosperous, and thereby preventing revolution. We cannot have true prosperity so long as a great many of our people are bordering on a state of destitution while on the other hand we have hundreds of millionaires who are rolling in wealth. I would particularly direct the attention of my honourable friend opposite (Hon. Mr. Beaubien) to the existing conditions, and would suggest that he use his talents and his energy towards the removal of the real cause of the trouble. It seems to me that this phase of the question has not received the consideration that it deserves.

Hon. JOHN LEWIS: Honourable senators, I do not intend to speak at length on this question, but I think it is one on which I should not cast a silent vote. I am inclined to agree with the honourable member for South Bruce (Hon. Mr. Donnelly) that the proposed legislation is not the logical conclusion of the eloquent speeches of the mover and the seconder of the Bill. The honourable senator for Brandon (Hon. Mr. Forke), the former Minister of Education—

Hon. Mr. FORKE: Immigration.

Hon. Mr. LEWIS: —Immigration, I should say, but it should be Education, too—has stated that recently there has been very little immigration from Russia. Among those who have come in, comparatively few are active propagandists for Communism.

Hon. Mr. FORKE: Most of them are refugees.

Hon. Mr. LEWIS: Refugees who are trying to escape from Bolshevism. Because of the presence of a certain comparatively small class in the community it is suggested that the brand of suspicion should be put upon Americans, Scandinavians and Central Europeans who are not infected with this virus of Communism.

Hon. Mr. CASGRAIN: What about your neighbour?

Hon. Mr. LEWIS: Well, to the extent that a person believes that the natural resources of the country, such as the land, should be used for the common good, he is not a Communist at all, but an individualist. Henry George believed in that sort of thing. But I am not so much concerned with that point now. I am inclined to think that the extent to which Communism has taken hold in Canada is very much exaggerated. The only place about which I have any definite information in this respect is the city in which I live, Toronto. Last year the alleged menace of Communism there resulted in a great deal of police activity and alarm, which were at their height at the time of the Dominion election. Yet a candidate who stood for election as a Communist received only 623 votes out of a total of about 158,000 cast in the city, or approximately two-fifths of one per cent of the total vote.

Hon. Mr. CASGRAIN: That is because so many of them are not naturalized.

Hon. Mr. LEWIS: I do not know exactly how many were naturalized. Certainly there was a strong agitation, as I have said, and everyone expected that the Communists would make a big showing.

Whatever the situation is in regard to Communism, I do not think that identification cards are the best means of dealing with it. We cannot defend religion or family life by making men register in the way suggested here. These are spiritual matters and ought to be attended to by the churches and similar organizations, because a merely legal regulation will not produce the desired results. I agree with my honourable friend from King's (Hon. Mr. Hughes) that social discontent cannot be prevented by a measure of this kind. The only remedy is social justice. I have no doubt that our institutions and general conditions in Canada are far superior to those in Russia. On the result of a comparison of that kind may depend the solution of the problem which we have been considering. We must keep our institutions superior to those of Russia; we must offer the Russians better social justice than they can get in their own country. So long as we offer men a better chance here than they can get in Europe, I do not think we shall need to worry very much about Bolshevism. I do not know much about Russia, and I do not pretend to be able to tell what will happen in that country, but I know that in the long run the issue of the question that we have been considering will depend upon whether Canada or Russia makes the best provision for the social justice and welfare of its people.

Hon. Mr. BEAUBIEN: Honourable members, may I take this opportunity of disclaiming any intention through this Bill of insulting people who come here from other countries. Of course, everyone is free to place whatever interpretation he may choose upon a measure of this kind, but I cannot see how foreigners could feel slighted because they were treated in Canada as Canadians are used in Europe. If it is insulting to require immigrants to register, they are being insulted at present, for the honourable gentleman who was formerly in charge of the Department of Immigration (Hon. Mr. Forke) has told us that registration has been carried on for a long time; the difference being that if this Bill is passed the immigrants can prove their registration by an identification card. Under our law people who come here with the intention of remaining cannot become Canadians for at least five years. There is a distinction made with regard to them: they have not all the privileges that the rest of our people enjoy; they cannot take any part in the government of the country. But does any one of them consider that as an insult? May I say to the honourable gentleman from South Bruce (Hon. Mr. Donnelly) that those who have sponsored and supported this Bill have no intention that it should be interpreted as a slur upon immigrants.

Let me remind honourable members that legislation of the kind proposed here is in force in almost every country of Europe, and there is no resentment on the part of those who have to submit to it. People who obey the laws are not put to any inconvenience, and besides they get a certain amount of protection by registering. Enemies of a country are the only persons who would be interfered with by legislation of this kind. They are the

people who have to be watched and dealt with as necessity arises, and they are the ones who object to registering. It may be of interest to honourable members to know that Montreal recently passed a by-law providing for voluntary registration and identification by means of cards. I have one of the cards in my hand now. There is nothing compulsory about it, but the holders of cards find them an aid to identification whenever there is an election, for instance. Up to date no less than 65,000 of these cards have been issued, all at the request of citizens.

Now, I should like to say a few words in reply to the remarks made by my honourable friend from Parkdale (Hon. Mr. Murdock), who is an officer of a railway union. I read to the House this afternoon a report which clearly stated that the legitimate unions have expelled Communists from their membership and have waged a determined fight against them.

Hon. Mr. MURDOCK: May I say just a word in explanation? Among the railroad services there are five organizations: the Order of Railroad Telegraphers, to which my honourable friend the Minister of Labour (Hon. Mr. Robertson) belongs; the Order of Railway Conductors, which the other day elected a Canadian as its President; the Brotherhood of Locomotive Engineers; the Brotherhood of Locomotive Firemen and Enginemen, and the Brotherhood of Railroad Trainmen, to which I belong. One of these organizations is affiliated with the American Federation of Labour, of which the President is William Green, the gentleman who was referred to by my honourable friend from Montarville (Hon. Mr. Beaubien). The other four unions are not so affiliated. The organization to which I belong, for example, has a membership of 185,000 and does not belong to the American Federation, although we co-operate, as do the other organizations mentioned. Now, perhaps I can assume—I have no right to state this definitely—that any labour organization, whether connected with the American Federation or not, probably has within its ranks some members who would like to do this and that, if they had a chance and could succeed in their object.

Hon. Mr. BEAUBIEN: Does my honourable friend's union expel Communists from membership? Has it expelled them?

Hon. Mr. MURDOCK: If we could prove that they were Communists unquestionably we would. We have expelled time and time again men who participate in illegal strikes. It is often hard to prove certain things in a labour organization; one does not know who the jury will be and with just what views they will sympathize. But, as organizations, we try to hit the Communists on the head and keep them in their place.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. DONNELLY: In the remarks I made I had no intention of implying that one of the purposes of the honourable gentlemen who moved and seconded this Bill was to insult immigrants. But as I listened to the discussion the thought occurred to me that it would be an insult to require registration of people who have been here for two or three years and have not yet taken out citizenship papers; and I am still of that opinion. If this Bill passes we shall be forcing these people to go through a process of registering, just as they did when they first entered the country. And consider how young people of sixteen or eighteen years of age, for example, will feel. They will think that they have been placed in a suspected class and earmarked, if we require them to register.

Hon. R. DANDURAND: Honourable senators, on the previous occasion when my honourable friend from De Lanaudiere (Hon. Mr. Casgrain) brought in a similar Bill, I expressed my views on the question of the registration of aliens. I still hold the same views. I have not based my conclusion on points that have been stressed in the arguments we have heard against Bolshevik propaganda. It seems to me that the principal object of the proposed legislation is to prevent the spread of propaganda in this country by foreign agents. I am not quite satisfied that the danger is as great as has been pictured to us. There may be a certain number of undesirable aliens in our midst, but I have been told that the most advanced propagandists are Canadians.

Hon. Mr. FORKE: Scotchmen.

Hon. Mr. DANDURAND: If that be true, it shows that Communism may well be developed from within. Can we stop the influx of ideas by barriers at our frontiers? I doubt it very much. Communism will grow wherever the soil is suitable for it, and misery is a splendid breeding ground.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. DANDURAND: I have been convinced, and I have expressed the idea before, that society as at present constituted must see that all its members have food and shelter.

I read some time ago a very interesting article in which it was stated that capitalism

would be tested during the year 1931. The capitalistic system can survive only if it allows every man to live. That is why I have come to the conclusion that we must provide unemployment insurance, to which the employer will subscribe. The employer who engages men when industrial activity is at its peak and he needs the maximum amount of labour, must learn that when orders cease to flow in he cannot lay off ten, fifteen or twenty per cent of the men, many of them with families, just as he would stop a piece of machinery, and expect to be able to recall them in two or three months, when conditions improve. The employers and the State must both contribute, as must also the employee for his own satisfaction and in order that he may retain his self-respect. This in my opinion is the solution of the problem, and the necessity of it, I believe, will be impressed upon us before the end of the present Parliament.

Some years ago a student in mechanics devoted himself to a study of the psychology of labour. In order to carry on his investigations he put on overalls and for two years moved about among the labouring element of Pittsburg and other places. What he found led him to the belief that what poisoned the minds of the labouring people was the constant fear of unemployment. A man who while employed could keep his family in comfort was always confronted with the possibility of being laid off because of lack of work, and this insecurity was the torment of his soul from one end of the year to the other. The fear of hunger, more especially for his little ones and his wife, is one of the elements of a man's discontent; and apart from unemployment insurance I have not yet seen any proposal that would meet the situation and allay that fear.

As to the registration of aliens, what is now asked, as has been stated by the honourable gentleman from Montarville (Hon. Mr. Beaubien), is that every alien shall apply for and carry a registration card. In view of the very illuminating statement made by the honourable member from Brandon (Hon. Mr. Forke), that every alien is now, as a matter of fact, registered in the Department of Immigration, I do not see that there can be any great difficulty in the registration of aliens, or any great reluctance on their part to receiving and carrying such a card. In many countries in Europe it is necessary to register. A newcomer signs a statement giving particulars as to the time he came into the country, where he is going to—

Hon. Mr. CASGRAIN: And when he is going to leave.

Hon. Mr. DANDURAND: This statement is made in duplicate, and the copy is sent to the police authorities at the next place that he is going to visit. There are in Paris from day to day, on the average, about 250,000 foreigners, and on the coast of the Mediterranean and elsewhere in France there are many others, all of whom obey the law and register.

The idea of registration interests me particularly, as I said the other day, in connection with protecting Canada from invasion by criminals from the United States. With our great length of border it is quite easy, as we all know, for criminals in motor cars to enter this country. I am sure that within the last three months at least a dozen of these men, armed with revolvers, have been arrested for holding up citizens or entering banks in the city of Montreal. With the modern methods of rapid transportation something of the kind proposed is becoming more and more a necessity. The foreigners already in Canada are registered under our immigration laws. If they are not, they are in the country illegally. My honourable friend from Parkdale (Hon. Mr. Murdock) has spoken of thousands of Americans in the West. I do not know whether they are there permanently or only temporarily.

Hon. Mr. CASGRAIN: Or legally?

Hon. Mr. DANDURAND: If it is their intention to remain in Canada I should be surprised to learn that they had continued to live in this country for five years without taking out Canadian citizenship papers. The only inconvenience that an alien would suffer under the proposed legislation is the necessity of having to carry an identification card for five years, as at the end of that time he can apply for naturalization. I believe that protection from the scum of the cities of the large country to the south of us, with its population of 120,000,000, would be welcomed by the cities of Canada.

Hon. Mr. DONNELLY: Would the honourable member permit a question?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. DONNELLY: Would the honourable gentleman have the Act apply to the hundreds of thousands of American tourists who come into Canada every year to spend a few days or a few weeks?

Hon. Mr. CASGRAIN: No.

Hon. Mr. DONNELLY: How can you distinguish between them and others? You have to make a general law.

Hon. Mr. DANDURAND: The tourists who come in?

Hon. Mr. DONNELLY: Would the honourable gentleman have the law apply to them?

Hon. Mr. DANDURAND: When a person goes to New York to take a steamer he is vexed at being stopped and asked for his passport; nevertheless, he must produce it. I do not know whether under the law of Canada to-day Americans who cross the frontier are asked for passports, but I know that whenever I go to New York I am asked for mine. I suppose a similar law could be enforced on this side.

Hon. Mr. GRIESBACH: It seems to me that in the minds of some honourable gentlemen there is an idea that this legislation will apply only to aliens. Section 3 says that every person who resides—

Hon. Mr. CASGRAIN: The honourable gentleman has the wrong Bill. This is Bill A1.

Hon. Mr. FORKE: I might explain that when tourists come into Canada they register as visitors and get authority from the Immigration Department to remain in the country for a certain length of time. Also, when any alien applies for citizenship papers an inquiry is sent from the Secretary of State to the Department of Immigration to ascertain whether he is properly in the country. In many cases it is discovered that he has no right to be here at all.

Right Hon. Sir GEORGE E. FOSTER: Honourable members, I do not rise to discuss the general question. I expressed my views with reference to identification when my honourable friend's (Hon. Mr. Casgrain's) first Bill was introduced. I have no objection at all to the Bill being read a second time, provided that it is sent to a special committee to be thoroughly examined, and that I am not bound to the principle of the Bill.

There are grave difficulties, I think, in the practical application and administration of such a Bill. A dog on the street is tagged, maybe muzzled; a cow is marked with a slit in the ear or some mark on the horn; but there is something repugnant to that sovereign being, Man, in being tagged and met with a demand for his photograph and identification card, especially if he has been in the country for years, has raised a family, and has been a good, law-abiding citizen. There is another class of people that I should like to see tagged, and thus made capable of identification. In fact, I should like them to be kept in leash.

Right Hon. Mr. GRAHAM: And muzzled?

Right Hon. Sir GEORGE E. FOSTER: They pass our frontiers and reside for a period in Canada in our hotels or boarding houses, or the like. I should like to differentiate. Possibly, after examination, we can produce a measure that will be fair to all; that will not be humiliating to any who are undeserving of humiliation, and yet will catch the law-breaker. When twenty automobiles pass in over a certain route, in order to catch the bandit we have to stop and examine every one. There may be a method of avoiding offence to a very large and worthy class of people who are living in this country and are helping to develop Canada and its resources.

I still adhere to the opinion I expressed before that this measure is more necessary and more easily applied in the large cities than elsewhere; and I understand that it is within the power of the municipalities to make such regulations as are necessary in order to identify criminals.

I listened to the disquisition of my honourable friend opposite (Hon. Mr. Dandurand) as to the cure of all our ills. The number of "cures" is amazing, and equally amazing is the number of "sole causes" of all our present troubles. All this teaches me that we have to be very patient, very discriminating and very wise, and that we must go deeper than identification cards before we strike bottom, so to speak, in rearranging our social and economic systems—maybe even our political system—in readiness for the new march forward which to my mind is certainly in sight. All social and economic systems are undergoing a change. There is a ferment in the country that reaches through all these, and it is only by experience, by experimentation perhaps, that we shall come to a plan by which all the activities of the human race will be raised to a higher plane, in which co-operation and human sympathy will play an important part. The maldistribution of wealth is the great trouble. As a remedy one offers the old age pension—that reaches a class; another offers unemployment insurance—that reaches everybody who is not at work; another offers co-operation between labour and capital—and I incline to the belief that this is the medium through which betterment will ultimately come. When a labouring man has not merely the wage-earner's interest, but an actual interest in the industry in which he is employed, and when there is a prohibition, so to speak, of over-returns to capital, I think we shall have peace. I do not believe that identification cards and tags will solve the problem. Nevertheless, I am willing that half a dozen of our ablest members should apply their best

abilities to the question, and when they submit their report we can proceed to say what we think of it.

Some Hon. SENATORS: Question!

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

REFERRED TO SPECIAL COMMITTEE

Hon. Mr. CASGRAIN: I spoke to the honourable leader of the House (Hon. Mr. Willoughby) and he suggested that this Bill should go to the Committee on Banking and Commerce. Therefore I move that it be sent to that committee.

Hon. Mr. BLACK: I do not think that a money question is involved here. Therefore I think the Bill should go to a special committee.

Some Hon. SENATORS: Yes, a special committee.

Right Hon. Sir GEORGE E. FOSTER: It seems to me that a special committee would be far better.

Hon. Mr. CASGRAIN: My opinion was that we should have a special committee composed of twelve members, seven from the other side of the House and five from this side. But the honourable leader of the House suggested the Banking and Commerce Committee.

Hon. Mr. STANFIELD: Name the special committee Tuesday night.

Hon. Mr. CASGRAIN: Yes, at the next sitting of the House.

Some Hon. SENATORS: Yes.

Hon. Mr. CASGRAIN moved that the Bill be referred to a special committee, to be named at the next sitting of the House.

The motion was agreed to.

BANKRUPTCY BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 73, an Act to amend the Bankruptcy Act.

He said: Honourable senators, the Bill is extremely short. It provides that where any provincial statute declares that the proceeds of a motor vehicle liability policy may be applied to the payment of claims or judgments against the insured for damages, nothing contained in the Bankruptcy Act shall militate against such provision, and the proceeds shall enure to the benefit of the person injured and not go to the bankrupt's estate. It seems entirely reasonable.

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

RELATIONS OF SENATOR WITH DOMINION GOVERNMENT

QUESTION OF PRIVILEGE

On the motion to adjourn:

Hon. N. A. BELCOURT: Honourable senators, I crave the indulgence of the House for a few minutes while I refer to a matter which concerns me personally. I want to state at the outset that no honourable member feels more deeply than I the obligation resting upon me to give my colleagues an explanation with regard to certain articles that have appeared in an Ottawa daily newspaper, one on the 9th of this month and the other this morning. I had hoped to give the House a thorough and candid explanation before this. Until a few hours ago I expected to be in a position to do so to-day, but I now find that I shall not have the necessary documents until the House meets again. The case with which I was concerned was tried here at Ottawa before Mr. Justice McEvoy. On the 9th of the month I requested the reporter to furnish me at the earliest possible moment with a certified copy of the evidence, together with the remarks of the trial judge and his reasons for judgment. I had hoped to have these documents to-day, but I have not yet received them, although I have telegraphed the reporter almost daily to have them sent on to me at once.

The matter referred to in the newspaper was fully dealt with by the trial judge, Mr. Justice McEvoy, early in the month. In his judgment he decided that there had been no breach, not even a technical breach, of the Independence of Parliament Act. I repeat, it is necessary for me to have the judgment and the other papers to which I have referred in order to give my honourable colleagues the full and thorough explanation to which they are certainly entitled. Since the trial judge, after considering the whole question, found that there had been no breach whatever of the Independence of Parliament Act, I have consulted a number of very eminent lawyers, some of them honourable members of this House, and they entirely concur in the judge's decision. Personally I feel I have nothing whatever to reproach myself with in the transaction in question. At no time did I have the slightest share in the voting of these moneys by Parliament, and it was only after

the matter was through that I knew that the moneys had been voted, for the specific purpose of advertising; so at no time did my parliamentary position or connection become mixed up or concerned in any way whatever with the voting of these moneys. It is true that when the matter was put into the hands of a committee I did endeavour to place before the chairman of that committee the proposition which the newspaper in England asked me to make. That was done openly and squarely, and the correspondence which has been filed in the court records will show that there was absolutely no attempt whatever at any improper use of influence. The proposition was submitted on behalf of my client exactly as it had been made to me. I did not seek it. He wrote to me and asked me to undertake it, stating that he had already discussed the matter with two or three of the Ministers—and I think he mentioned, among others, my honourable friend from Brandon (Hon. Mr. Forke).

Hon. Mr. FORKE: I do not know to what the honourable gentleman is alluding.

Hon. Mr. BELCOURT: I am referring to the committee of which I think my honourable friend was a member, in connection with advertising for the Government in 1927. I think the honourable senator from Brandon (Hon. Mr. Forke), Hon. Mr. Malcolm, Hon. Mr. Heenan and Hon. Mr. Stewart were members of that committee. I did not see my honourable friend (Hon. Mr. Forke) at all in that matter; my dealings were entirely with the chairman of the committee. The matter was submitted to him and to the committee, and the committee decided to continue the contract, which had been in existence with the newspaper for nearly twenty-five years before. There were certain modifications, of course. It had new features, which I undertook, at the request of the editor, to place before and explain to the committee.

Now, that is the whole thing. There is nothing else in it. It was entirely a departmental matter. It was not in any sense a parliamentary matter. It had ceased to be that. I feel absolutely confident that when the facts are before my honourable colleagues in this House they will agree that there could not possibly have been any breach of the Independence of Parliament Act. I hope to be in a position on Tuesday next, when the House resumes, to place before honourable members all the evidence given at the trial, as well as the judgment. In the meantime I hope I am not asking too much when I request my honourable friends to suspend their judgment until they are fully advised of all the facts. I admit that the matter has worried me considerably. The mere fact that somebody may have thought that there had been on my part a breach of the law has given me a great deal of worry, and my great regret is that I have not been in a position before this to place all the facts before this honourable House.

Hon. W. B. WILLOUGHBY: Honourable senators, a large number of members on this side of the House had asked me to call attention to the matter referred to. I decided to do so, and since I came into the Chamber this afternoon I wrote to my honourable friend (Hon. Mr. Belcourt) notifying him of my intention. This is a question which is important to all honourable members. As leader of the House I feel I am concerned with its dignity and honour, and I thought it was my duty to intimate to my honourable friend, as I did this afternoon, that I would speak on this subject, and that he could make his reply. He stated to me verbally, after receiving my note, that he was not prepared to go on to-day, but would be prepared at the next sitting of the House, which will be on Tuesday night. I am not going to comment on the statement of my honourable friend, nor anticipate any remarks that he may make. Many honourable members held the view, some of them even more strongly than I did, that because of the two editorials that had appeared in the Ottawa Journal, which is a very important and representative newspaper, the matter should be brought to the attention of the House. If the honourable the senior member for Ottawa (Hon. Mr. Belcourt) had omitted to make an explanation it would have been the duty of myself, as guardian of the honour of the House, to bring up the question. As my honourable friend has stated that he will make a fuller explanation when he has the necessary documents at hand, which will be at our next sitting, I am satisfied that honourable members will understand that nothing further can be done at present.

The Senate adjourned until Tuesday, June 16, at 8 p.m.

THE SENATE

Tuesday, June 16, 1931.

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

Prayers and routine proceedings.

STATUE OF SIR JOHN A. MACDONALD

INQUIRY

Hon. Mr. TANNER inquired of the Government:

Whether the department of government having authority in regard to the grounds at Parliament Building, Ottawa, is aware that during several months the memorial statue of Sir John A. Macdonald on said grounds has been discoloured and unsightly; and why action has not been taken to restore said statue to normal condition.

Hon. Mr. WILLOUGHBY: I have a statement from the Deputy Minister of Public Works, as follows:

With reference to the above inquiry in regard to the statue of Sir John A. Macdonald it is found that the discolouration on this monument is verdigris and that otherwise the statue is clean.

Monuments and copper roofs in Ottawa become discoloured on account of there being sulphuric acid in the air as a result of the pulp and paper plants operating in the vicinity of Ottawa. This is a condition over which the Department has no control, and nothing can be done to have the copper in monuments in Ottawa kept a brown colour.

Hon. Mr. FORKE: I should like to ask the honourable leader of the Government (Hon. Mr. Willoughby) whether the proximity of the Parliament Buildings has anything to do with the sulphuric acid that affects the monuments on Parliament Hill. The window of my room overlooks the statue of Sir John A. Macdonald, and I have often wondered why the tarnished condition of this monument had never been drawn to the attention of the House. I am glad that the honourable member for Pictou (Hon. Mr. Tanner) has referred to it. But there are other statues on the Hill that need furbishing. That of Her late Majesty Queen Victoria is one.

Hon. Mr. WILLOUGHBY: In answer to the honourable gentleman I may say that the atmosphere in this Chamber, in which we live and have our parliamentary being, is always placid and pure, and I am sure it would not tarnish any of the monuments.

ORDER OF BUSINESS

Before the Orders of the Day:

Hon. Mr. TANNER: Honourable members, Orders No. 6 and No. 8 on the Order Paper, which relate to private bills, were both on the Order Paper for second reading at the last sitting of the House. I understand that there will likely be considerable discussion to-night, and if honourable members have no objection I would ask that the bills to which I have referred be given the second reading now, so that they may be sent to the Committee on Banking and Commerce for consideration.

Right Hon. Sir GEORGE E. FOSTER: I have no objection to giving way to the request of my honourable friend behind me. Some matters have intervened since I made the motion that the Order in which I am interested be placed at the head of the list, and, all things considered, it probably would be as well for me to move that this Order be discharged, to be placed first on the Order Paper for to-morrow, so that I may give way also to the statement which my honourable friend opposite (Hon. Mr. Belcourt) has to make, and to any discussion that may arise thereon.

Order No. 1 was discharged, to be placed first on the Orders of the Day for to-morrow.

PRIVATE BILLS

SECOND READING

Hon. Mr. TANNER moved the second reading of Bill J1, an Act respecting the Eastern Telephone and Telegraph Company.

Hon. Mr. McMEANS: Will the honourable gentleman explain the Bill, so that we may know something about it?

Hon. Mr. TANNER: Yes, certainly. Honourable members, I intend to move that the Bill be referred to the Committee on Banking and Commerce.

Hon. Mr. McMEANS: I think we should have an explanation. It is usual for the honourable gentleman who moves the second reading of a Bill to give an explanation, so that we may understand what the measure is about.

Hon. Mr. CASGRAIN: It is a private Bill.

Hon. Mr. TANNER: I think all honourable members understand it, except the honourable gentleman from Winnipeg.

Hon. Mr. McMEANS: One is enough to demand an explanation.

Hon. Mr. TANNER: I should be very glad to explain it to my honourable friend privately. I am intending to move that the Bill be referred to the Committee on Banking and Commerce.

Hon. Mr. McMEANS: Is that all the explanation?

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

SECOND READING

Hon. Mr. TANNER moved the second reading of Bill L1, an Act to incorporate Morris Finance Corporation.

Hon. Mr. McMEANS: Explain.

Hon. Mr. GILLIS: I think the House should have a little explanation of these Bills. Since the second reading commits the House to the adoption of the principle of a Bill, it is usual for the honourable member who moves the second reading to give an explanation.

Hon. Mr. TANNER: The Bill is intended to incorporate a finance corporation.

Hon. Mr. McMEANS: For what purpose?

Hon. Mr. DANDURAND: In what line?

Hon. Mr. GILLIS: Wherever the line runs from.

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

SUSPENSION OF RULE

Hon. Mr. TANNER: Honourable members, the promoters of these bills are desirous of having them considered by the Banking and Commerce Committee this week. I understand that for this purpose it will be necessary to suspend a rule of the Senate—

Hon. Mr. CASGRAIN: More than one; three rules.

Hon. Mr. TANNER: —in accordance with which the bills could not go forward to the committee for another three weeks. As I understand that the Senate may not be meeting next week, I am asking for the further indulgence of the House in the suspension of rule 119 so far as it relates to the bills just given the second reading: Bill J1, an Act respecting the Eastern Telephone and Telegraph Company, and Bill L1, an Act to incorporate Morris Finance Corporation. If we suspend this rule the committee will be able to consider the bills this week, should it so desire.

Hon. Mr. DANDURAND: Before the motion is put I should like to know whether Bill L1, an Act to incorporate Morris Finance Corporation, is on general lines. Is it the same as the usual Acts, covering the activities of similar institutions already in operation?

Hon. Mr. TANNER: As I am informed, this Bill is in the standard form.

The motion for the suspension of rule 119 was agreed to.

IDENTIFICATION OF ALIENS BILL

SPECIAL COMMITTEE APPOINTED

Hon. Mr. WILLOUGHBY moved:

That the following senators be appointed a Special Committee to consider Bill A1, an Act to provide for alien identification cards: the Hon. Messieurs Beaubien, Bénard, Chapais, Donnelly, Michener, Macdonell, McCormick, Béique, Riley, W. E. Foster, Horsey and Casgrain.

He said: There are seven members from one side of the House and five from the other.

The motion was agreed to.

RELATIONS OF SENATOR WITH DOMINION GOVERNMENT

QUESTION OF PRIVILEGE

Before the Orders of the Day:

Hon. N. A. BELCOURT: Honourable members of the Senate, may I now make the statement which I am expected to make respecting the matter with which I dealt briefly on Friday last?

The action taken by Belcourt, Leduc & Genest, and myself as a member of the firm, was for a fee (not a commission, as alleged) offered in writing by the defendant, the Canada Newspaper Company, for professional services in a departmental matter.

For many years and under different Governments, the Canada Newspaper Company had been advertising Canada and the activities of its departments, and had been paid for such publicity. My services covered about one year, and consisted in explaining and completing the proposed arrangement which the Canada Company informed me in their first letter they had already submitted to the departments concerned.

In that letter the Company also informed me that modifications in previous arrangements or contracts of the same nature had been already submitted and explained to the departments concerned.

When I started the negotiations with the Department, it was aware that I was acting for the Company merely in my professional capacity as departmental agent.

The business was taken up and carried on in the manner and in accordance with usages of local solicitors who act as agents before the Supreme Court of Canada, the Exchequer Court, the Federal Railway Board and the several departments of the Government. I did not have, never had, never asked for, and never was promised, any interest in the defendant company or in any contract they had or hoped to have with any department of the Government. I was not seeking, and at no time did I seek, personally to take part in or be concerned with a contract involving the expenditure of public money.

The action brought did not claim, and the judgment rendered did not in any way affect or concern, public money. The money involved covered merely my services and those of my firm and was payable by the Canada Newspaper Company.

It never occurred to me that anyone could suggest that in doing what I did, that is, acting professionally as a departmental agent in a departmental matter, I could possibly be accused of a breach of the Independence of Parliament Act. It must be obvious to everyone that if I had had any doubt as to the correctness of my situation, no legal action would have been taken against the company.

With the permission of my honourable friends, I shall read the judgment itself:

In the Supreme Court of Ontario

Belcourt, Leduc & Genest vs The Canada Newspaper Co., Limited.—Tried before the Hon. Mr. Justice McEvoy at Ottawa,

Non-Jury Sitting, May 29, 1931 and June 2, 1931.

A. E. Fripp, Esq., K.C., and Paul Leduc, Esq., counsel for the Plaintiffs;

O. M. Biggar, Esq., K.C., Counsel for the Defendants.

Oral Judgment

His Lordship: This is an action brought by Senator Belcourt against the Canada Newspaper Company to recover a fee for services rendered in the securing or endeavouring to secure an arrangement by which the Government of Canada should place the publication of the defendants in a large number of reading rooms and public places in the United Kingdom.

It is not contended by either of the parties, nor is there anything in the evidence which would indicate, that the manner of seeking to bring Canada favourably before the people of the British Isles was not desirable, nor that the manner proposed by the defendants to procure a useful kind of publicity was not a right and proper and fair way to proceed.

There is not the slightest indication that the services which the newspaper company proposed to give to the Government of Canada were not services worthy of the price that the newspaper company were proposing they should be paid, nor is there any indication that the Government was paying for anything except what was fair and reasonable for the services that the Government were to give.

I find upon the evidence that there was a firm contract between the plaintiff and the defendant. I need not go into the details of it. For the purpose of determining this case the details are of no importance. The contract was in substance one arrived at in this way. The defendants wrote to the plaintiff and said, "If you will see to it that we get a contract that the Government will pays us a certain price for placing 3,000 of our publications in public places in the British Empire, we will pay you $5,000."

I find as a fact that the Senator accepted that contract, and that there was a firm contract made in that way; that for getting the payment for 3,000 subscriptions for placing these publications on public tables he would get $5,000, and the detail about it does not seem to me to be of any importance. That is the substance of the contract.

I find as a fact that the Senator made some efforts. I think the efforts were not efforts that required a great deal of time, but I find as a fact that his efforts were effective and useful to the defendants in the securing of a contract. He was not able to make a contract with the Government of the kind that was in the mind of the Senator and in the minds of the newspaper company when they made their contract. They each one thought then, and contracted then, that it was to be $5,000 for 3,000 subscriptions.

What happened was that the best efforts that the Senator could make, and aided and abetted by such help as the defendants themselves could give—and they gave some help, because they interviewed members of the Government when they were in the Old Country, and no doubt lent some help, but when they had expended the very best that they all had put together, they were not able to get an order for 3,000 copies. The most they could get was 2,200 copies.

Mr. Fripp: Subscriptions, my Lord.

His Lordship: You may call them subscriptions. What the Government were wanting was 2,200 copies placed on the public tables. There is no doubt upon the evidence that in order to place the 3,000 copies, or 2,200 copies upon the public tables effectively, contemplated in the mind of the newspaper people, I am satisfied looking at the whole of the correspondence, before the matter was finally set, both parties realized, that is, the Senator, the Government and the newspaper people, realized that to produce the kind of paper that it was proposed to put upon the tables, meant an investing of a considerable amount of capital by the newspaper people; and the newspaper people correlated that with the fact that they needed the 3,000 copies to work out their plan in such a way as to make it a commercial proposition. What I mean by that is, if they got 3,000 they believed that they could proceed to make the extension they had in mind, do the work in the way they had represented to the Government when they were trying to get the contract that they would do it.

I think further that all the parties had it in mind that if they got less than 3,000 of these subscriptions, or payments for placing papers on the tables as they suggested, that financially that was not going to be worth while to the newspaper people. I do not think that there was any lack of knowledge on the part of the Senator, or on the part of Mr. Lefroy, or anybody concerned about that. They all

knew it, and they were working away at this proposition with that in their minds all the time.

I find as a fact that when the Senator had done the best he could, and the correspondence I think shows it plainly, there was a time when he came to the conclusion, "Now, I cannot get 3,000 in subscriptions, and 2,000 is about my limit." I find as a fact that he communicated that to Mr. Lefroy. The correspondence indicates it, and the evidence of both Lefroy and the Senator make it plain to me that there was a time when that situation arose, and when that situation arose I find as a fact that the Senator then said in word and act, "I cannot get you 3,000 subscriptions. I cannot get the Government to pay for that, and I am ready to quit."

The defendants then were not ready to quit. They thought, and I think they believed they had a good reason to think, that further effort and further struggle would raise the number of subscriptions up to the desired amount, and they led the Senator then to proceed further.

I find that at the meeting in the defendants' office in London, upon the oral evidence and the correspondence, that there never was any figure settled as to the amount of the reduction that it was proposed the Senator should take in his fee, but it was discussed and suggested that if they could not get the 3,000 subscriptions, that he ought to take a reduction in his fee, and both the Senator and Mr. Lefroy say the Senator rejected that. Sometimes it is said he rejected it indignantly, but I find as a fact that he did reject it. And I find as a fact that in those circumstances the defendants in effect asked—I do not know whether they did in actual words on any occasion—but the result was that the Senator was induced or encouraged to proceed on with the matter and see what he could do.

In the result a contract was obtained for 2,200 subscriptions. The defendants were content to take that contract, and I hold as a matter of fact that they took the contract in substitution for the whole 3,000 subscriptions. They were at all times, up till they began to dispute about the payment, in a position to have said, "We will not accept the contract you bring us at all." Or, they were in a position in which they might have said, "We will accept the contract, but we will not pay you the full amount we agreed."

They did not do either. They accepted the best he could bring, and he brought the best he could get.

In those circumstances I am not able to see that I ought to consider the matter upon the ground of a quantum meruit. In my view either the Senator did them a service that they were willing to accept as the service that they contracted for; not that it was all that they contracted for, but it was a service that they were willing to accept as in lieu of what they contracted for.

I think if he has not gone far enough to establish that, then the position taken by Mr. Biggar must prevail, because he has not claimed under a quantum meruit. What he has said is, "I gave you what you accepted instead of the thing you contracted for, and therefore you must pay me what you agreed."

None of the statutory defences raised work a defence for the defendants.

I think my judgment must be upon that basis, and therefore, there will be judgment for the—

amount, etc.

I desire to add just these few words to the judgment. Repeating the words, "None of the statutory defences raised work a defence for the defendants," I think they mean, of course, that in the opinion of the judge, or court, in acting as I did in the matter referred to, merely as agent, I infringed in no way the statute known as the Independence of Parliament Act.

To this statement I would merely add a letter which I received yesterday from a very eminent counsel, an ex-judge of the Superior Court of the Province of Quebec, and then I shall have finished:

Montreal, June 16, 1931.

Honourable N. A. Belcourt,
Ottawa, Ont.

Dear Sir,—

You ask me what is the meaning of the word "concerned" in the first paragraph of section 21 of chapter 147 of the Revised Statutes of Canada, 1927.

Sections 10 to 24 of said chapter 147 concern the independence of the members of the House of Commons and of the members of the Senate.

Section 21 reads as follows:

"No person, who is a member of the Senate, shall directly or indirectly, knowingly and wilfully be a party to or be concerned in any contract under which the public money of Canada is to be paid.

"2. If any person, who is a member of the Senate, knowingly and wilfully becomes a party to or concerned in any such contract, he shall forfeit the sum of two hundred dollars for each and every day during which he continues to be such party or so concerned.

"3. Such sum may be recovered from him by any person who sues for the same, in any court of competent jurisdiction in Canada.

"4. This section shall not render any senator liable for such penalties, by reason of his being a shareholder in any incorporated company, having a contract or agreement with the Government of Canada, except any company which undertakes a contract for the building of any public work."

The purpose of the Statute is quite evident. A member of the House of Commons, or a member of the Senate, should not be in a position where he will have to choose between his interest and his duties towards the public.

What is prohibited by the Statute is to be a party to a contract, or to take a share in or a concern in a contract under which public money of Canada is to be paid.

One may not be a party to a contract, but may have a share in, and interest in, or a participation in a contract.

The word "concerned" as used in the Statute clearly means "pecuniarily concerned or interested" (Section 16 uses the words "concerned or interested").

The exception contained in paragraph 4 of section 21—as to the interest of a shareholder in an incorporated company—indicates that what is prohibited is for a member of the Senate to have a pecuniary interest in such contract.

Yours very truly,

Charles Laurendeau.

Having made my observations to the members of the Senate, I intend now to withdraw.

Hon. Mr. GORDON: Before the honourable member withdraws will he kindly give me a little information on this point? I have never seen a Government contract, as a matter of fact, but in looking over the statute I find that section 19 states:

> In every contract, agreement or commission to be made, entered into or accepted by any person with the Government of Canada, or any of the departments or officers of the Government of Canada, there shall be inserted an express condition, that no member of the House of Commons shall be admitted to any share or part of such contract, agreement or commission, or to any benefit to arise therefrom.

Now, would my honourable friend tell me if that clause is always inserted in such contracts?

Hon. Mr. BELCOURT: I cannot say, but I might be permitted to tell my honourable friend that the section he has just read is entirely in accord with the other sections, those which I have read, and to which the judge has referred. The meaning is exactly the same; there is no difference.

Hon. Sir ALLEN B. AYLESWORTH: Honourable members, may I be permitted to say a few words with reference to this discussion before anything further is said? I wish to premise that I never heard of this matter in any shape until Friday last, a few minutes before the House sat, and I was not here on Friday when the matter was spoken about on the floor of this Chamber. But since then I have read what appeared in Hansard, and while I have not heard what the honourable gentleman who has just left the House (Hon. Mr. Belcourt) has been reading or saying, I have understood that he was entering into a justification, I may call it, of that with which he is charged. Now, that is precisely what I think is not right, and I wish, at the earliest possible moment, to submit to the consideration of all honourable gentlemen that the discussion of the matter should not be proceeded with.

As I understand, the whole conduct of the honourable gentleman is the subject-matter of a lawsuit which is now pending and has not yet been finally decided. Certain charges involving the conduct of the honourable gentleman were made by a newspaper, and thereupon he brought an action against that newspaper—the ordinary action of libel, defamation. In that action he has succeeded, and judgment has been pronounced in his favour, holding that in the opinion of the judge he had committed no parliamentary offence. From that decision the newspaper has appealed, and, that appeal not yet having been heard, any discussion of the rights or the wrongs, the legality or the illegality of the honourable gentleman's conduct, is necessarily a discussion of the very question which is now standing for hearing before the Appellate Court, and I humbly submit to you, honourable members, that it is not seemly or proper that such a discussion should take place.

The honourable gentleman, as I understand, read the opinion of the learned judge who heard the cause and decided in his favour. Suppose that decision had been the other way, and suppose the honourable gentleman were appealing from that decision to the higher courts, would it not be manifestly improper that he should exercise his right as a member of this House to appeal to his colleagues? Would it not be manifestly unfair to his opponents in the case? Is it not equally unfair that this House should at the present stage of this litigation enter into a discussion, pro and con, perhaps, of the views which the judge who has already heard the case has expressed ?

Once the case is finally determined it is a proper enough subject for discussion by the public, or by anyone who pleases to discuss it, and particularly by this House, which is concerned with the privileges, duties and obligations of its members. But I submit that until that litigation is finally disposed of, one way or the other, discussion would be wrong. I say nothing about the rules of the Senate; I am thinking, not of our rules, but of what is right as between litigants whose cause is before the courts; and I urge respectfully, but as strongly as I am able, that it would be a wrong thing for some members of this House to express one view, and other members of this House probably a diametrically opposite view, with regard to the merits of the judgment or decision which has already been pronounced. I urge, therefore, that any further discussion of this subject should be postponed.

The Hon. the SPEAKER: Orders of the Day.

Some Hon. SENATORS: No, no.

Hon. W. B. WILLOUGHBY: Honourable members, I shall make only a few remarks. Personally I was not aware that the case in question was under appeal. As a matter of fact, I do not think that on this question of privilege I am strictly in order; still less was the honourable gentleman who preceded me;

but this is a case in which we want to be, in the highest degree, not only fair to but considerate of our honourable colleague.

The honourable gentleman pleads the benefit of a judgment in his favour. We learn that that judgment is in the Court of Appeal, and the honourable gentleman who has just spoken (Hon. Sir Allen Aylesworth) indicates the impropriety of discussing, even in Parliament, a case pending before the courts. There is a great deal to be said for that view, I think.

There is another feature—and I am not enlarging on the case at all. As I stated, I had no animus in bringing this matter to the attention of the House; my purpose was quite the reverse; but the feeling of a large number of honourable gentlemen on this side of the House—

Hon. Mr. SHARPE: And on the other side too.

Hon. Mr. WILLOUGHBY: —on the other side too, I have heard since—was that it was a matter that should be brought before this House, and that the honourable gentleman should be invited to make a statement. In the most pleasant way that I could, I invited him to do so. The honourable gentleman has made that statement, and, the question being under appeal, it is quite in order, I should think, for it to stand for the time being. The Independence of Parliament Act provides for a pecuniary penalty, and, under certain circumstances, for the forfeiture of a member's seat; but in this House we frequently appeal to a higher code and discuss what is in keeping with the dignity and the honour of this House from the moral and ethical point of view. I am not going to enlarge upon that. The honourable member from Toronto (Hon. Sir Allen Aylesworth) has said that we should not proceed further, and I am in agreement with his opinion. I hope my honourable friends behind me will accede to that view. The case is before the courts, and when it is finally decided the honourable gentleman (Hon. Mr. Belcourt) will probably want to supplement what he has said to-night. As I said in the beginning, I was unaware that the suit was in appeal.

Hon. GEORGE GORDON: Honourable members, while I agree with what has been said by my leader (Hon. Mr. Willoughby), I would point out that the honourable the senior member from Ottawa (Hon. Mr. Belcourt) in a frank statement of his case shows us that the root or kernel of the whole matter is that he was offered $5,000 as a commission to secure a contract from the Government—

Hon. Mr. BEIQUE: Not a commission.

Hon. Mr. COPP: A retainer.

Hon. Mr. GORDON: In my opinion it boils down to a commission, nothing more and nothing less; and whether or not it comes within the scope of the Act which he quoted, or under the penalty provisions, I feel that a principle of British justice has been violated, a principle which should not need a law to enforce its observance. Under the circumstances I will say no more about it. At present, that is my opinion.

Hon. I. R. TODD: Honourable senators, I think there is one point in connection with this matter that should be cleared up before the subject is dropped. The honourable senator from Toronto (Hon. Sir Allen Aylesworth) has referred to a libel suit. I understand that there has been no suit for libel in connection with the matter.

Hon. Mr. WILLOUGHBY: I had not heard of libel before.

Hon. Mr. TODD: The suit was brought against the Canada Newspaper Company for the payment of an account, and it seems to me that the Senate will be put in a rather queer light if the statement goes out that it was discussing a libel suit when really there was no libel suit. I think that point should be cleared up. If there was a libel suit, I should like to hear of it.

Hon. Mr. McMEANS: Is the action brought by the honourable member from Ottawa (Hon. Mr. Belcourt) against the Canada Newspaper Company in appeal?

Hon. Mr. BUREAU: Yes, it has been appealed.

Hon. Mr. WILLOUGHBY: I understand that it has been appealed.

Hon. Mr. McMEANS: That is what is referred to, I imagine.

Hon. A. B. GILLIS: Honourable members, I fail to see how the question of an appeal affects this matter in any great degree. The honourable gentleman (Hon. Mr. Belcourt) admitted quite frankly that he acted in the capacity of a go-between for this concern in its dealings with the Government of Canada. That being admitted, what difference does it make whether the case is appealed or not? I may state frankly the view of the general public after reading the statement that appeared in the press. If the man on the street was asked his opinion after reading the article in regard to a certain senator having been accused of securing a contract with the Government, his reply was: "I have read it, and

I consider the affair a public outrage." That is an expression that I have heard on more than one occasion during the past few days. Why this matter should be held over until the appeal is heard I cannot see. If the honourable gentleman is guilty of doing what the public press has accused him of doing, then I cannot see the use of splitting hairs about the law. The point is that the statement has been made publicly that this senator has had a contract with a certain newspaper to act as a go-between for it in its dealings with the Government.

Hon. R. DANDURAND: Honourable members, I knew nothing of this matter until it came before the Senate on Friday of last week, and now I have heard read the judgment rendered by the court. I surmise that the defendant raised the question of the right to recover in view of the statute that has been alluded to, and that the judge who heard the case dismissed that plea. Surely nobody would expect any legal gentleman in this Chamber who had just heard the reading of the judgment and the opinion of an eminent member of the Bar to express an opinion before he has been given an opportunity of studying the case more closely.

Hon. Mr. WILLOUGHBY: There is no libel suit that I know of.

Hon. Mr. DANDURAND: No, there is no libel suit. I am speaking of the documents that have been read. There is the question of the violation of the Independence of Parliament Act. That, I understand, was discussed before the tribunal, and the learned Justice declared that he could not entertain the plea that there had been a violation of that Act. If such a defence had been good, judgment would have been entered against the plaintiff.

Hon. Mr. McMEANS: As a lawyer I do not think that would follow at all. I think the violation of the Independence of Parliament Act might be raised as a defence; and while it might not be a good defence to the action, still there might be a violation of the Act.

Hon. Mr. DANDURAND: I am not entering into the merits of the case, but I for one am not prepared to controvert the opinions of the learned judge and of counsel that have been placed on Hansard.

Hon. Mr. TODD: In making his explanation I do not think the honourable gentleman stated that the Independence of Parliament Act was brought up during the trial. I am told on the best of authority that it never was pleaded, never was mentioned, and never was considered by the court. I may be wrong, but that is my understanding.

Hon. Mr. BEIQUE: It was discussed. The whole question was discussed, and for my part I quite agree with the honourable leader of the House (Hon. Mr. Willoughby) and the honourable member for Toronto (Hon. Sir Allen Aylesworth) that it would be neither proper nor according to the customs of this honourable House to discuss the matter further while it is pending before the courts. I think the honourable member from Ottawa (Hon. Mr. Belcourt) was quite justified in making the statement that he did. He was challenged to make a statement, and on account of the article which had been published it was his duty to do so; but in my opinion, for the reasons that have been referred to by the leader of the House and the honourable member from Toronto, further discussion of the matter should be deferred.

BANKRUPTCY BILL

THIRD READING POSTPONED

On the Order:

Third Reading of Bill 73, an Act to amend the Bankruptcy Act.—Hon. Mr. Willoughby.

Hon. Mr. BEIQUE: I move that this Order be discharged and be placed on the Order Paper for to-morrow.

Hon. Mr. WILLOUGHBY: Why not dispose of it now?

Hon. Mr. BEIQUE: I understand from the declaration of the Minister of Justice that it is the intention to bring in, at next session, a Bill which will take care of various amendments to be made to the Act. It had been my intention to offer certain amendments, but after learning of the Minister's statement I concluded that it would not be proper for me at this stage to move any amendments to the present Bill. I was asked to state to the House, for the information of honourable members, the amendments that I have in mind. I am not yet ready to do so, as I have not completed my consideration of the amendments. That is why I ask that this Order be allowed to stand.

Hon. Mr. WILLOUGHBY: I consent to the honourable gentleman's suggestion that the Order be postponed until to-morrow; but I do want to proceed with it then.

Hon. Mr. BEIQUE: Oh, yes.

The motion was agreed to.

BANKRUPTCY BILL—PRIORITY OF CLAIMS

THIRD READING

Bill 28, an Act to amend the Bankruptcy Act (Priority of Claims), as amended.—Hon. Mr. Black.

PRISONS AND REFORMATORIES BILL

THIRD READING

Bill 72, an Act to amend the Prisons and Reformatories Act.—Hon. Mr. Willoughby.

PRIVATE BILLS

SECOND READING

Hon. Mr. GRIESBACH moved the second reading of Bill 52, an Act to amend the Board of Management of the Canadian District of the Evangelical Lutheran Joint Synod of Ohio and other States, and to change its name to the "Board of Management of the Canadian District of the American Lutheran Church."

Hon. Mr. LOGAN: Explain.

Hon. Mr. GRIESBACH: I intend to move that this Bill be referred to the Committee on Miscellaneous Private Bills.

The motion was agreed to.

MOTION FOR SECOND READING

Hon. Mr. GRIESBACH moved the second reading of Bill K1, an Act to amend an Act to incorporate The Army and Navy Veterans in Canada.

Hon. Mr. DANDURAND: Will the honourable gentleman explain?

Right Hon. Mr. GRAHAM: Is that a new organization?

Hon. Mr. GRIESBACH: The Army and Navy Veterans in Canada is the oldest ex-soldiers' organization in the British Empire. It was established in or about the year 1860, and was incorporated by federal charter in 1917. It has branches scattered throughout Canada, and annually in the last six, seven or eight years has conducted sweepstakes, from the proceeds of which, up to about a month ago, over $674,000 has been spent in veteran relief and charities. Donations to other good causes have been made as follows: Canadian Red Cross Society, $35,000; St. Vincent de Paul Society, $5,000; the Amputations Association, $15,000; Newfoundland tidal wave disaster, $2,000; Canadian National Institute for the Blind, $18,845; Great War Veterans of Newfoundland, $39,268 and general charities of Newfoundland, $11,000. A few days ago a cheque for about $56,000 was sent to the Canadian Legion; and I know of some other grants, but cannot definitely state the amounts at the moment. The last and most illuminating one of which I know was $5,000 to the League of Nations Society.

I should like to emphasize the fact that the sweepstakes activities of this organization have been carried on for a considerable time. Its headquarters for that work are now in Newfoundland, to which country it pays some $60,000 a year in taxes. This is a Canadian organization, and all the charities that have benefited from the sweepstakes are worthy and deserving of support. The country is concerned with a distinct issue in the matter of sweepstakes and the Association is eager to go to the mat—if I may be allowed to use the expression—on this question, and offers for the consideration of honourable members its record in the donating of funds to worthy charities. I am asking now that the Bill be referred to the Committee on Miscellaneous Private Bills.

Hon. Mr. DANDURAND: We are dealing with the motion for second reading.

Hon. Mr. GRIESBACH: We have passed the second reading.

Hon. Mr. DANDURAND: No.

Hon. Mr. GRIESBACH: I intend to move, if the motion for second reading is passed—

Hon. Mr. FORKE: We are not going to pass it, if I can help it.

Hon. Mr. GRIESBACH: —that the Bill be referred to that committee. Many charities that have received donations from this Association are very short of funds, and would be in an extremely desperate situation had they not received these gifts. I understand the League of Nations Society is virtually on its uppers. This Association, as I have said, gave the Society $5,000 the other day, and that is more money than any others have ever given it. There has been a great deal of talk by others about the League of Nations, but when it came down to brass tacks the Army and Navy Veterans came forward with the most generous support.

Hon. Mr. DANDURAND: Would my honourable friend allow me to make a suggestion? Inasmuch as this Bill concerns the principle of the lottery system and we shall perhaps discuss that principle more fully when we resume the debate on the Hospital Sweepstakes Bill than we might on this occasion, would not my honourable friend be agreeable to allowing the motion for second reading to stand until we have disposed of the other Bill?

Hon. Mr. GRIESBACH: I am not sure that the principle of both bills is the same. I think that the Hospital Sweepstakes Bill is a proposal to do something in the future that has not been done in the past, but the measure now before us concerns an association with a record of transactions over the last seven or eight years.

Hon. Mr. DANDURAND: Under the law or against it?

Hon. Mr. GRIESBACH: At the present moment, with our headquarters in Newfoundland, we are under the law of that country. The law there permits us to operate the sweepstakes. Therefore I think I may say we are operating under the law, but not the law of Canada. Exceptions have been made in our criminal law to cover matters of the class referred to in this Bill, as I found to my astonishment a few days ago. I am not prepared to admit that the principle of this Bill is the same as that of the Hospital Sweepstakes Bill, and I question whether it would be fair to the promoters of this measure that I should agree to its fate being decided in accordance with what is done in the other matter.

Right Hon. Sir GEORGE E. FOSTER: Honourable members, I was about to rise to my feet at the same time as my honourable friend opposite (Hon. Mr. Dandurand), and to make the same suggestion as he did, which I consider to be a very reasonable one. I spoke to my honourable friend from Edmonton (Hon. Mr. Griesbach) and asked him if he could postpone the consideration of this Bill until after we had dealt with the whole principle that it involves, but he thought he ought to proceed and get the measure before a committee. The difficulty is that before we gave this Bill a second reading we should have to discuss a principle that we shall deal with more fully when we resume the debate on the Hospital Sweepstakes Bill, which has been before the House for some time. It seems to me that the suggestion to postpone the motion for second reading is only reasonable.

My honourable friend from Edmonton (Hon. Mr. Griesbach) said that it was advisable to "go to the mat" on the question. I submit that we had better go to the mat on the whole question whether or not we shall open up in Canada a lottery system; for nothing more nor less than a lottery system is involved in the Bill. The fact that a body has been acting illegally for a number of years and has distributed gifts obtained from the proceeds of its illegal action should not influence the Senate to look favourably upon this measure at present. The Association's activities to which my honourable friend referred are illegal in Canada; indeed, this very Bill is an indication of the position in which the organization has been for a number of years. It has had to go outside of the country to establish headquarters for its operations. I do not think we should endorse the principle of the lottery and authorize sweepstakes in Canada simply because this Association has given $5,000 to the League of Nations Society and certain sums to other deserving and law-abiding charities.

It is not necessary for me to say anything more at present, except to repeat that I think my honourable friend (Hon. Mr. Griesbach) should accede to the wish of the honourable the leader on the opposite side (Hon. Mr. Dandurand) and myself, and allow this Bill to stand until we have finished our discussion and come to a reasoned decision as to whether Canada is prepared to introduce lotteries and ally them with our charities. I am absolutely opposed to lotteries. I think that the opinion, and I am quite sure the practice, of the foremost nations of the world are against the principle of lotteries, and that this opposition is evidenced by the legislation of the various countries and the actions of certain societies therein.

Hon. Mr. GRIESBACH: I cannot consent to the suggestion that has been made, because, as I should have mentioned before, this Bill should have at least as favourable treatment as the other received. The Hospital Sweepstakes Bill was given second reading and sent to a committee, which reported. It would be unfair to refuse to send this Bill to a committee. It would also be unfair to consider the two bills jointly. As a matter of fact, this measure may have merit which the other one lacks. I do not say that is true, but I think it is a point for a committee to consider. I could not agree to a procedure which would not give this Bill the same degree of fairness that the other one received.

Hon. A. B. GILLIS: I think the honourable gentleman should allow the second reading to stand until the Hospital Sweepstakes Bill is disposed of. The measure now before us is far more vicious than the other one. No restriction at all is provided for here. If this became law, sweepstakes would be thrown wide open, whereas in the other case there are definite limitations. I will not object to our giving this Bill the second reading for the purpose of getting it before a committee, so long as it is understood the House is not endorsing the principle of the Bill. But

if the honourable gentleman (Hon. Mr. Griesbach) is not agreeable to that understanding, I am opposed to the second reading.

Hon. R. FORKE: Honourable senators, as a new member of the Senate I do not want to say too much, but I certainly wish to make an emphatic protest against our rushing this Bill through in the manner that has been suggested. The Hospital Sweepstakes Bill was given a second reading so quickly that I scarcely knew what was going on, and I fear the same thing would have happened in this case had not some honourable members asked for an explanation. When the Order was called I began to look up the matter on my file, and by the time I had found it there was a proposal not only to give the Bill second reading, but to send it to a committee. We have plenty of time here, and there is no necessity to hurry the procedure in this way. Bills are not rushed through so quickly in another place. I want a little time to consider measures that come before this House, so that I may be able to express my mature judgment. Therefore I hope that the honourable member from Edmonton (Hon. Mr. Griesbach) will accept the proposal that has been made to him.

Right Hon. Sir GEORGE E. FOSTER: If I may speak again for a moment, I would assent to the position taken by my honourable friend from Saskatchewan (Hon. Mr. Gillis). My honourable friend to my right (Hon. Mr. Griesbach), in urging that this Bill should go forward, has argued that the preceding Bill had been given a second reading, the principle of it had therefore been affirmed, and it had been sent to the committee.

Hon. Mr. GRIESBACH: No, I did not say that, and I had no intention of saying it.

Right Hon. Sir GEORGE E. FOSTER: That was the argument.

Hon. Mr. GRIESBACH: No; the argument was on the point of fairness. The other Bill had received a second reading and had gone to committee, and I argued that in fairness my Bill should likewise receive a second reading and go to committee. I did not argue that the principle of the Bill had thereby been agreed to.

Hon. R. DANDURAND: Honourable members of the Senate, I feel a certain responsibility in the fact that when the first Bill came before us for second reading I did not immediately challenge it. Having glanced at it, I had no idea that it would meet with the approval of this House without an interesting and prolonged discussion.

Some thirty years ago I took a decided stand against the art lotteries which were taking root especially in the city of Montreal. I do not know to what extent they were becoming established elsewhere, but I succeeded in having Canadian territory cleared of them. In the present instance, not having made up my mind to take the lead, I was inclined to await an expression of opinion from my colleagues. Although the Bill passed its second reading unopposed and was referred to committee, there was objection to it among a number of our members; so when the committee presented its report it was quite proper that the Senate should decide on the principle involved. Undoubtedly this should have been done on the second reading.

Now my honourable friend from Edmonton (Hon. Mr. Griesbach) suggests that we should let the second reading of this Bill pass, but I think we owe it to our own dignity to proceed according to the rules of the Senate, which at this stage call for a pronouncement on the principle of the proposed legislation. The fact that three weeks ago, when the first Bill came up, we failed to discuss it on its merits is no reason why my honourable friend should ask us to do likewise in this case. I would suggest that the present Bill ought to be left in abeyance until we dispose of the other one. Otherwise we shall have to discuss the principle now. If my honourable friend thinks that it is in the interest of the promoters of the Bill that we discuss and settle the principle now—that we go to the mat on it—I am ready; but I shall await his decision as to that.

Hon. Mr. GRIESBACH: I will go this far: I will move that the Order be discharged and placed on the Order Paper for to-morrow. We shall see how things turn out to-morrow.

The motion to postpone the Order was agreed to.

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

THE SENATE

Wednesday, June 17, 1931.

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

Prayers and routine proceedings.

STATUE OF SIR JOHN A. MACDONALD

DISCUSSION

Before the Orders of the Day:

Hon. C. E. TANNER: Honourable senators, I ask permission to refer briefly to the answer that was brought down yesterday to an inquiry I made in regard to the statue of Sir

John A. Macdonald on the Parliament grounds. The honourable member for Brandon (Hon. Mr. Forke), I am pleased to observe, was good enough to join me in the matter, and stated that there were other monuments on the grounds in need of attention. The answer to my inquiry, which is on the first page of Hansard of yesterday, states that the Department of Public Works has no control over the condition of the statue to which I referred, because "nothing can be done to have the copper in monuments in Ottawa kept a brown colour." It is also stated that "Monuments and copper roofs in Ottawa become discoloured on account of there being sulphuric acid in the air as a result of the pulp and paper plants operating in the vicinity of Ottawa." Now, as far as I am concerned, I am not satisfied to accept that answer as conclusive.

Hon. Mr. SCHAFFNER: Hear, hear.

Hon. Mr. TANNER: I have found from experience that there are high officials in the Department of Public Works who cannot always be accepted as authorities. For example, a few years ago we had under consideration the question of the regulation of traffic and we were curtly informed by that Department that nothing could be done in the matter. However, we followed up the question and succeeded in having something done, although I do not think that everything possible in that connection has been accomplished yet. Then, not long ago, I had occasion to inquire of that Department in regard to the stalling of elevators between floors in this building. I have in my possession a letter from a high official in the Department stating that the doors of any one of these cars cannot be opened if it stalls between the floors; but, unfortunately for that theory, I have had it demonstrated very clearly that the doors can be opened under such circumstances, by any person with common sense, because there is a lever which on being pressed will open the doors.

And now I am told that nothing can be done to restore this disfigured monument to its normal condition. If it is worth while to erect monuments on Parliament Hill, it is surely worth while to keep them in proper order. Down in the city of Halifax, near the Province House, we have a statue of Joseph Howe, which became disfigured and discoloured two or three years ago. We did not have any of these experts of the Public Works Department down there, but the simple-minded people who live in Halifax were able to find a means of restoring the monument to a decent colour. For my part, I am not convinced that we are beyond help in regard to the monuments on Parliament Hill. We are supposed to have a large number of eminent scientific men in the service of this country at Ottawa. We spend an enormous amount of money in maintaining a Research Council, which, I presume, employs a considerable number of persons of scientific attainment. If these do not come to our assistance in a simple matter of this kind, why are we paying them? I am going to ask the Committee on Public Buildings and Grounds—I do not see the Chairman present in the House at the moment—to investigate this matter, call some of these experts from the Public Works Department and endeavour to show the way, if possible, to those who tell us that nothing can be done in this matter.

Hon. Mr. FORKE: Hear, hear.

RELATIONS OF SENATOR WITH DOMINION GOVERNMENT

QUESTION OF PRIVILEGE

Hon. R. H. POPE: Honourable senators, I desire to add a few remarks to those that were made yesterday in regard to the honourable the senior senator from Ottawa (Hon. Mr. Belcourt). In the first place may I say that as one of the junior members I do not hear very well what the older senators, seated a little distance away from me, say unto themselves, and it is not until I read Hansard the day after they speak that I discover what they have said. Sometimes I agree with their remarks and sometimes I do not. I think that, under the circumstances, when I disagree altogether I should have the privilege of rising next day and expressing my opinions. I intend before sitting down to move an adjournment.

On reading to-day the speech of the honourable gentleman from Toronto (Hon. Sir Allen Aylesworth), and while listening to him yesterday—for he is one whom I do hear—I noticed that he was in error with respect to the lawsuit between the senior member from Ottawa and the publication Canada. I understood our leader on this side (Hon. Mr. Willoughby) to say, although I am not sure he intended to convey this idea, that he agreed with the honourable gentleman. The appeal case is a legal matter that does not affect the principle involved in the question concerning the senior member from Ottawa (Hon. Mr. Belcourt). My information is this—and, whether it is right or wrong, it is based upon judicial opinion—that the honourable gentleman (Hon. Mr. Belcourt) has no right to a voice in this House until the matter in

question is absolutely settled. It may be months before the courts give a decision on the appeal, and I submit that if we are going to wait for that decision the honourable gentleman has no right to be in this House in the meantime. He can enter, I presume, but he cannot vote or otherwise take part in the business of the House. That is my understanding.

Now, in so far as the responsibility of a senator is concerned, the question is simple. I do not know why wise advocates of law split hairs so finely as they very often do. They split and split and split until there is nothing left to split. Now, here is what the Act says:

> No person, who is a member of the Senate, shall directly or indirectly, knowingly and wilfully be a party to or be concerned in any contract under which the public money of Canada is to be paid.

I presume the honourable gentleman (Hon. Mr. Belcourt) desired us to read the document which he quoted yesterday; otherwise he would not have produced it. Now, it will be found on referring to that judgment that the suit was brought in the name of a firm, Belcourt, Leduc & Genest, against Canada Newspaper Company, Limited. That name appears at the beginning of the judgment and is the only reference the judge made to the firm. He says:

> This is an action brought by Senator Belcourt against the Canada Newspaper Company to recover a fee for services rendered in the securing or endeavouring to secure an arrangement by which the Government of Canada should place the publication of the defendants in a large number of reading rooms—

And so forth. If you read that judgment all the way through you will find that the judge speaks of the senator. He does not refer to the firm; he refers only to the senator, and when the senator brings a suit to secure part or parcel of $3,000 or $4,000 or $5,000, as the case may be—it makes no difference what the amount is in which he is to participate—it is a reflection not only upon him as a member of this House, but upon the House itself.

Further on there is a reference to a $200 fine, but I am informed by a leading authority that the period within which a fine can be imposed expires at the end of twelve months. Therefore we need not discuss that; we cannot fine him.

The reflection on the Senate of Canada extends far beyond the Dominion of Canada, and we should deal with the question as one affecting the integrity and honour of the Senate, and should decide it one way or the other, and not put it off, or drag it along the trail. It is a reflection also upon a senator, and he cannot escape from that reflection unless we deal with the matter. It is our bounden duty to deal with it in the name and for the honour of the Senate of Canada, and for the personal honour of the senator as well.

Those who are personal friends of the honourable gentleman would go perhaps a little farther than others in their anxiety to see the honourable gentleman exonerated. We all have close friends, and we all have enemies who stand at a little distance from us and possibly would be desirous of seeing us hit in the back, and would not growl if the blow were a hard one. I have no feeling in the matter, but here we have this judgment, which refers in every instance to the senator. The statute says that he must not deal directly or indirectly in, or be a party to, any contract under which the public money of Canada is to be paid. This judgment says that he did so, and I ask if under the circumstances it is right or fair for us to leave the honourable gentleman in a state of suspense. I do not think it is.

We know that the honourable gentleman has occupied some very important positions in the public life of Canada. I take up a newspaper from Regina and I read:

> Senator Belcourt, by virtue of his eminence as a leader of the French Canadian people, as a former Speaker of the House of Commons, Minister Plenipotentiary for Canada at London, member of the Privy Council of Canada, member of the bars of Quebec and Ontario and of the Legion of Honour, etc., should in his public capacity keep himself above reproach.

Wherever the honourable gentleman goes, whether to England or the United States, where he has been on diplomatic missions on behalf of the Dominion of Canada, this will follow him. I say that if the leaders of the House agree, a committee should be appointed to go into the question and should either condemn the honourable gentleman or exonerate him and free him from the insinuations that have been made as a result of the action he has taken. I do not see why we should permit this affair to cast its shadow on the honourable gentleman and on the Senate of Canada. If I had been able to hear what was said yesterday I should not have taken up the time of the House to-day, but I object, as a member of this House, to our letting the question stand instead of taking definite action for the exoneration of the House or of the honourable member himself.

I move the adjournment of the House.

The Hon. the SPEAKER: Is it your pleasure, honourable members, to adopt the motion?

Some Hon. SENATORS: No.

Some Hon. SENATORS: Lost.

Hon. Mr. WILLOUGHBY: Honourable members, the honourable gentleman has moved the adjournment of the House for the purpose of discussing a matter of great public importance. I presume that, having discussed the matter and thereby accomplished his purpose, he is willing to withdraw his motion. Then, if there are any other proceedings to be taken, they will be taken in the ordinary way.

Hon. Mr. POPE: Well, if the matter is not going to be dropped altogether, I withdraw the motion; but I do not intend to allow this matter to remain in suspense, as it is now. If I have some assurance from the honourable leaders of this House that a special committee will be appointed, or that some other course of investigation that they deem proper will be followed, for the exoneration or accusation of the honourable gentleman, I withdraw the motion. Without such an assurance I will not do so. Am I right?

Hon. Mr. SHARPE: Why not move for the appointment of a committee and leave the choice of the committee to the leaders of the House?

Hon. Mr. POPE: I am quite willing to accept that suggestion, and would move that the honourable leaders select a committee.

Hon. Mr. DANDURAND: That should be done by way of notice of motion.

The Hon. the SPEAKER: Does the honourable gentleman withdraw his motion for the adjournment of the Senate?

Hon. Mr. POPE: I withdraw that motion, and give notice of another motion.

The Hon. the SPEAKER: Is it your pleasure, honourable members, that the honourable gentleman be permitted to withdraw his motion?

Some Hon. SENATORS: Carried.

The motion was withdrawn.

Hon. Mr. POPE: Am I obliged now to give notice?

The Hon. the SPEAKER: If the honourable gentleman will give notice of his motion, it will be placed on the Order Paper and taken up another day.

Hon. Mr. POPE: With the permission of the House I may make the motion now, may I not?

The Hon. the SPEAKER: The honourable gentleman should give notice of motion.

Hon. Mr. POPE: Then I give notice of the motion.

Hon. Mr. DANDURAND: The honourable gentleman will have ample time between now and the end of the sitting to draft his notice.

Hon. Mr. SHARPE: Move it later on.

Hon. Mr. POPE: All right.

HOSPITAL SWEEPSTAKES BILL

REPORT OF SPECIAL COMMITTEE—DEBATE CONTINUED

The Senate resumed from Wednesday, June 10, the adjourned debate on the motion of Hon. Mr. Barnard for the adoption of the report of the Standing Committee to whom was referred Bill E, an Act with respect to Hospital Sweepstakes.

Right Hon. Sir GEORGE E. FOSTER: Honourable members of the Senate, after many attempts, we come face to face with the discussion of a subject that has been on the Order Paper for nearly a month. The first thing I want to do is to invite my fellow-members of the Senate, if they have not already done so, to make a serious study of the principle involved in this Bill. A stranger sitting in the gallery, listening to all that has been said, and having no further source of information, would come to a very inconclusive judgment, I think, as to what was before this body.

I have had a fairly long experience in the two Chambers, and during the course of my public life I do not remember to have seen a measure as important as this one so casually and imperfectly explained. The promoter of the Bill and the only other member who has supported it, so far as discussion is concerned, took the Bill through its different stages in a little less than twenty minutes by the clock, presumably having given all the reasons they had for the introduction of such a measure.

Now, to my mind, this Bill is a most important one. It marks a stage in the history of our legislative development. It is a departure from the previous attitude of the Parliament of Canada towards the principle involved in the measure now under discussion. In my opinion this is a Bill to legalize the lottery system in Canada; nothing more and nothing less. It has nothing to do with betting, with stock exchange proceedings, with insurance company systems, with the dealing in margins, or with the subject which seems to have intrigued the promoter of the Bill—the system of selling garters in a department store in the city of Ottawa. This Bill might or might not pass, yet all those things would simply go on as before; they are not affected in any way by this measure.

To listen to the arguments that have been adduced would lead us to suppose that the measure before us is a twin sister of such a system of finance and of collection of revenue as the income tax, which allows a discount for prompt payment, or of a system that makes it possible for a man to bet upon an event which is in progress or in prospect. But this Bill, if there is any reason at all for its introduction, must embody a different principle.

I find that the promoter of the Bill, in his very short address, declared in the first place that there is nothing very new in the proposal; and the honourable member for Hamilton (Hon. Mr. Lynch-Staunton), in following up the discussion, said with regard to it:

> It contains no principle that is not now recognized by law and practised by nearly everybody.

The question that comes to our mind is, Why is this Bill necessary if the principle is already recognized by law and if the practice of it is carried on by almost everyone in Canada?

But let us examine it for a moment. I feel inclined to resuscitate the argument of my honourable friend the member from Hamilton, and I ask the attention of members to it. I think it will not need much further comment on my part. The honourable gentleman says:

> Now, if I subscribe to a hospital, what is wrong about the hospital authorities allowing a discount on my promise to pay? What does the Bill mean? If they sell a thousand tickets at $5 apiece they will have $5,000; and if I subscribe they will give a discount, but they will pay it on the total amount to two or three or more persons. That is all it means. They could give the discount to each person who subscribed, or they could divide it among those holding certain tickets. Where is the gaming in that? I cannot see any. If I pay my taxes promptly I am given a discount of 5 per cent. If I go in on a Monday I get the discount; but if I do not go in until Tuesday I do not get it. Is there not as great an element of gaming in that as there is in what is proposed here?
>
> I submit, honourable members, that this is a praiseworthy Bill.

—and with that the Bill passed its second reading and was sent to a committee for report.

Now, I call the attention of honourable members to the reasoning of the honourable gentleman in this respect. So far as I am aware, a person who has to do with this sweekstakes business as a subscriber does not give his note or promise to pay a certain amount into the fund on a certain date. He pays cash, and therefore the question of discount does not arise in any shape or form. Then again, I cannot at all see a parallel in the method of the Government in collecting its income tax. It says to the taxpayer: "You have been assessed for a certain amount of money. That money is payable by a certain date, and in instalments if you wish it; but if you are willing to make payment in advance, by a certain date, you will be allowed a certain discount upon the total amount that is paid." The Government fixes the date by which that decision is to be made. The authorities are notified, and it is arranged that payment is to be made not later than, let us say, a certain Monday. If the person concerned makes his payment on or before that day he receives a discount, but if he neglects to take in his money before Tuesday morning he loses the discount. Where in the wide world is there an element of gaming or chance in that? The whole transaction is entirely between two parties, the one who has to pay the tax and the tax-gatherer, that is, the Government, and it depends on the will and action of the taxpayer whether or not he gets a discount. Yet we are given to understand that the Bill before us contains nothing that in principle or practice would be different from that tax discount transaction. I submit we must give a little further consideration to the matter in order to ascertain whether this Bill involves so simple a thing as we have been told it does.

Honourable members will observe that there has been a notable avoidance of any discussion of the principle and the practical implications of the Bill, of the new forces which it would authorize and let loose, or of the question whether such forces would prove to be beneficent or malign. It is not sufficient, I think, that we should have the measure presented in the innocent garb of a little sister, perhaps a twin sister, of the practice of giving discount on government taxes, of life and accident insurance, or of the policy of allowing a rebate for the prompt payment of any contractual obligation. I submit that we should examine the principles and the mechanism of this Bill. Upon neither of these features has the mover (Hon. Mr. Barnard) nor my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) thrown the least light. I ventured to ask the mover to explain the merits and mechanism of the measure, but he did not accede to my request. I labour under a disadvantage because I am not so au fait as is my honourable friend, who, as he himself says, holds tickets in these affairs and knows how they work out. If he had explained to the House how the provisions of the Bill would be put into operation and result in providing, as he states —but for the statement he has offered no proof—sufficient money to defray the cost of

the hospital service, I should have been helped, as I am sure my fellow members would have been, in coming to a decision upon the matter. As I read the measure, it involves a number of changes. In the first place, there would be a reversal of the policy and practice of Canada since Confederation —to go back no farther. It would result in the exploitation of human weakness such as is evinced in an inordinate desire for money, or to get something for nothing, or to "get rich quick" at the expense of someone else and without giving any equivalent or adequate return. And, as a sort of sugar-coating, it is proposed that there should be an alliance of this exploitation of human frailty with one of the noblest and most wide-flung of our charities. The mover of the Bill and, I suppose, the supporters of it, assume that by means of such a partnership sufficient money for the hospital services would be collected. But the Bill would be more far-reaching than that, for under it our hospital charities and services would become partners and co-workers with gamblers all over the world. I make that statement in the belief that it is an important one, worthy of consideration by the Senate. And there would necessarily be developed a vast system of propaganda which would be as demoralizing as it would be pervasive.

If the Bill really goes as far as I contend it does, we should give it our very serious thought and study. Chance, the essence of gambling, finds its complete embodiment in the lottery. The glory of a human being is reason, judgment, will power, and control over himself and his personal affairs. The lottery is the negation of all that. It is, in fact, the complete apotheosis of chance. Through it the winners of prizes are determined by chance, and chance alone, and in that respect it is the most dangerous and most demoralizing form of gambling. Furthermore, it becomes the competitor of all honest toil and operates in opposition to the principle which is at the base of business, individual character and social stability, namely, that some equivalent should be given for what is received.

In making these points, I am challenging the intelligence and the judgment of my fellow members. We shall hear if in the opinion of some I have been too pronounced in any of my statements, and we shall have to hear something that controverts them, I think, before we shall feel free to endorse the introduction of this proposed system.

The argument we have so far heard—and that is what we have to go upon—in support of the Bill has been threefold. In the first place we are urged to support the measure upon the ground that it is necessary. Probably I had better read what was said by the mover (Hon. Mr. Barnard) in that respect. On the 8th of May, when moving the second reading, he stated:

> Conditions to-day, however, are such that it is practically impossible to get any further aid from the municipalities or the Government.

He was speaking, I presume, of British Columbia particularly.

> Both are sorely pressed for money. It is equally difficult to collect large sums from the public.

A similar assertion is made by the honourable senator from Hamilton (Hon. Mr. Lynch-Staunton), and I need not read it. In effect, the representative of British Columbia is pleading that his province is bankrupt so far as concerns its capacity to meet the financial demands of its hospitals; that it is unable to raise the necessary funds by means of individual, municipal, provincial and corporate efforts, and therefore must of necessity resort to an exploitation of the gambling instinct all over the world. By inference, the alternative to all this is the decline of hospital charities in that province.

Now, I know something of British Columbia, of its spirit, its resources, and the philanthropic spirit of a great many of its foremost men, and although I must give way to a reasonable extent before the assertions of my honourable friend, I am not convinced that they are in accordance with the opinion of British Columbia as a whole. I think that province has too much spirit, too much philanthropic impulse and too many resources at its command to take the position that it must go begging all over the world, through the lottery system, in order to fulfil its duty to the aged and the sick. In every great country whose history I have read, that spirit which impels children to care for their aged parents, and healthy and prosperous people to look after the sick and indigent, has been one of the most ennobling of national characteristics, and one which has grown stronger with every advance made by civilization. I do not think that British Columbia wishes to declare to the world that she has lost that spirit and capacity.

What proof have we of the necessity for this Bill, apart from the assertions of my honourable friend (Hon. Mr. Barnard)? Of course, I do not call into question his bona fides in the matter. Not a single petition in support of the Bill has been presented to this House, nor, as far as I can learn, to the

other House. As far as I can find out, no hospital authority, municipal corporation nor other body has passed a single resolution, nor has the Government of British Columbia taken any active steps to assure the success of the measure. There is no evidence whatever of any agitation in that nor in any other province for such a change in the law as is here proposed. Generally speaking, the legislation in a democratic country is a crystallization of the opinion of the majority of citizens. Now, we have no expression of opinion from any of the provinces in favour of the establishment of a lottery system as a means of financing their great charities. On the contrary, the only opinion that I have heard expressed has been in opposition to such a system. No intimation has come from the Province of Ontario, nor from the Province of Quebec, nor from any other province, that the lottery is preferable to drives and subscription lists and other means of financing hospital services, relief work and charity in general. If sweepstakes provide a sure means of raising funds and are morally sound, why is it that the Red Cross and the V.O.N. and other great charitable organizations in our country have not agitated for a Bill of this kind?

It is argued that men will gamble and therefore we should legalize the lottery. Now, I always look with suspicion upon the argument that because the frailties of human nature cause any considerable number of men to do certain acts, we should give legal sanction to those acts. Something more than the assertion that "men will gamble" is necessary to convince me that gambling should be legalized in the interest of the body politic.

If there is an idea that it is better not to gamble than to gamble, and that consequently the individual and the country would be better off if there were no gambling than if there were unrestricted gambling, the question arises: What is our legislative function, and how should it be employed? Should we increase the facilities for gambling, or should we increase the restraints placed upon it? The whole force and trend of legislation in progressive countries all through the ages has been to try to minimize undesirable action by making the facilities for it as few as possible and the restraints upon it as numerous and effective as possible. That is the genius and spirit of progressive legislation, and it is along those lines that heretofore other nations, and our own country, have progressed.

The third argument is akin to the second, and to my mind equally unconvincing. It is that money is going out of the country in this way, and that therefore we should step in and set up machinery to carry out the lottery and gambling business in Canada in order that we may keep that money in the country. I question whether in point of principle that argument commends itself to this House, and I equally question whether there is any force in it. If you pass this Bill, establish a lottery system, set up your machinery and disseminate your propaganda, upon what do you rely to keep within this country money which is now going to the sweepstakes and lottery business in other countries? A most striking thing occurred just a little while ago in the Dail of the Irish Free State, where sweepstakes are now being carried on. Someone raised a question as to what proportion of the fund that came in went to the Irish hospitals and what proportion went to the gamblers. The answer of the Government was that out of the fund, of which I shall treat a little later, 20 per cent went to the hospitals and 80 per cent to the pockets of a few gamblers.

Hon. Mr. CASGRAIN: That is more than the pari-mutuels get.

Right Hon. Sir GEORGE E. FOSTER: What is that?

Hon. Mr. CASGRAIN: The pari-mutuels get only 10 per cent. That is twice as much.

Hon. Mr. GRIESBACH: May I ask—if 20 per cent goes to the charities and 80 per cent to the subscribers, how is the expense of the Irish fund provided for? Who pays the expense of running this gigantic undertaking?

Right Hon. Sir GEORGE E. FOSTER: I shall answer that question fully. When I made the statement that 80 per cent went to the gamblers and but 20 per cent to the hospitals, I included the expense of operation in the 80 per cent chargeable to the gamblers themselves, because unless certain measures are taken they cannot gamble and cannot win prizes, and there would be no fund.

Hon. Mr. GRIESBACH: What does it come to?

Right Hon. Sir GEORGE E. FOSTER: But the percentage of expenses is very small indeed in comparison with the fund and the amount distributed. I will take that up in more detail a little later.

Well, somebody in the Dail said that 20 per cent was not sufficient; that if all this effort had in view was charity, and the Irish hospitals, surely it was poor economy—to go no further—to try to get 20 per cent of the fund at the expense of the 80 per cent which went for the collection of that fund; and the statement was made that at least 33⅓ per cent should go to the hospitals. That proposal was negatived by a vote of 79 to 25. What was the argument put forward by those who were opposed to giving a smaller amount to the gamblers and a larger amount to the charities? They said: "Big prizes are necessary to ensure a big fund; unless you offer the inducement of big prizes you will not get a large fund; therefore it is wise to keep the amount for prizes as large as possible and the amount for charity as small as possible."

Now, I apply that argument to the argument of my honourable friend that by instituting a lottery here we shall keep the money in Canada instead of allowing it to go out.

Hon. Mr. CASGRAIN: Protection.

Right Hon. Sir GEORGE E. FOSTER: Can my honourable friend declare to this House that by means of the machinery which is to operate the sweepstakes in Canada he can ever hope to give prizes of $150,000, or that he would be sustained in doing that by Canadian sentiment and by the demands of the charities themselves? If he cannot, through his machinery, give prizes of $150,000, $75,000, and $50,000, when he goes to canvass $2.50 subscriptions to the Canadian sweepstakes for the sake of fair charity and the hospitals of British Columbia, he will be met with the statement: "Oh, no. By an equal expenditure, ten shillings, I get an opportunity of drawing for a prize of $150,000." My honourable friend cannot compete with that.

Hon. Mr. BARNARD: Does my honourable friend want an answer to that now or later?

Right Hon. Sir GEORGE E. FOSTER: Probably the honourable gentleman had better let me conclude my argument first, and bring that up afterward.

My reasoning is this. The inequality in the matter of the richness of the prize, between the Irish sweepstakes, and the British Columbia sweepstakes, and the equality of the contributions to be made—ten shillings in one case, and $2.50 in the other—would make the competition so unequal that the money that is now going out of the country would continue to do so, and you would be calling upon resources and earnings of the people of Canada for contributions to another campaign in which there would be a great disparity between the amount that would go to the charities and the amount that would go to the gamblers. So it does not seem to me that the argument that we should thereby save money to Canada has very much weight.

But I am willing to learn, and if my honourable friend or anyone else can show that that disparity would not be so great, then I would meet him with the further argument that in these days and under present world conditions it really makes very little difference, when the money is taken from a multitude of pockets and is handed in the final result to a very small number of winners, whether the extraction takes place in Canada or in any other country. So much money is taken out of the earnings and the savings of the people; and therefore so much is extracted from the trade resources of the whole world. We know what that means at this time, when there is such a close community among the nations of the world. We know that if the extraction is wasteful and unwarrantable, it matters very little where it takes place; that it will affect equally our trade, our commerce, our standing and our future. If Germany, or Switzerland, or any other country, is impoverished by this extraction, it may not come quite so closely under our eyes, but it is an influence in the wide world of finance and economy which has a reaction upon us.

Now I come to another point—and I am not making an admission, but simply taking a hypothesis for an argument. If ever in the opinion of this Parliament it became necessary to resort to the lottery system, is the time that has been chosen to introduce this matter into the Dominion of Canada a particularly opportune one? To-day we are slowly and gradually sinking down to the level of recovery from a world-wide gambling debauch which has brought in its wake untold suffering and widespread ruin; to-day all our Governments are co-operating in the endeavour to find remedies for these devastating results, and to devise means of protection against the repetition of such a catastrophe. Is this the time to slip the bridle of restraint and to give free rein to the most senseless but most insidious form of the gambling mania? My answer to that question is that even if it ever might become necessary to depart from straight, honest dealing, and to resort to lotteries, this is a most inopportune time, because the adoption by this Parliament of such a system would not mitigate, but would in every respect further and increase all the troubles that already exist.

My next point is that this legislation is in principle and in practice vicious and degrad-

ing. I use the word "degrading" in its primary meaning; that is, grading down the spirit and morale of the people and the bases of their action, instead of uplifting them and ameliorating matters thereby. This is invoked in the interest of a sacred trust. Let us see how it works out. Once the campaign for the Irish hospital sweepstakes started, the attention of all the world that participated in it was directed away from the sacred and holy trust that is embodied in the hospital as an institution. The excitement or mania, so to speak, was all as to who was to be the winner. That was the feature that caught the public mind—and the dollars and pounds as well. It was a gambling mania that spread like wildfire; not a spirit of goodwill and service to a great and deserving institution maintained for the good of humanity.

What have been the practice and the experience of other nations, situated much like ourselves, with reference to lottery legislation? The literature of lotteries is not at my command, but I have gleaned a little knowledge as to the trend in other progressive countries, and what we might learn from their experience. In England in the earlier centuries the lottery was prevalent, and became a source not only of private gain, so to speak, but also of national revenue. That continued for a series of years, and substantial amounts gained by way of lottery were put into the Consolidated Revenue Fund of Great Britain. But there came a time, nearly one hundred years ago, when the effect upon the country seemed to demand that a stop be put to that method of raising revenue, and without making a long story of it, I may say that it resulted in the lottery system being delegalized and lotteries being prohibited, as they are to this day.

I suppose that if any taxpaying community feels a burden to-day it is Great Britain. The British taxpayer is right in the midst of, and is a member of, a community which I suppose is more highly taxed than any other country in the world, all things being taken into account. He feels the burden. The members of Parliament are brought face to face with the problem: they know it; they understand it; they feel it; they participate in it. Well, as I read through the dispatches I see that on May 19 this took place:

> The House of Commons came down hard to-day on advocates of legalization of lotteries in support of hospitals, defeating by 181 to 58 an application by a Conservative member for leave to introduce a Bill authorizing the operation of such lotteries.

Has that no lesson for us? Will British Columbia taxpayers say that they are more heavily burdened than the British taxpayers? Can Canada stand up in the face of all its assertions, of all its resources, of all its progress, and say that that does not read a lesson for this country? There is the Old Country in the very midst of its troubles, its burdens, its difficulties, which press almost to the point of taking blood from the body, and yet the people's representatives from every part and quarter of the country, by a majority of 181 to 58, refuse to accept the lottery system and legalize what is now illegal. They scorn to do it. They do not wish the British public to be branded as a nation that depends upon the gambler's instinct and the gambler's activities in caring for its poor, its sick and its aged. The people of Great Britain after the War said, "Our financial reputation is dear to us," and to the United States they said, "Make up your bill and we will pay it;" and they are doing it. To-day with the same honourable purpose, they are resolved that it shall never be told in the bazaars of India, or in the boats along the Yangtse-Kiang, or in the shops of any of the nations of the world, that Great Britain has delegated the care and sustenance of her aged, her sick and her poor to the gambler's chance one hundred thousand times multiplied.

Then I see that since that rejection by the House of Commons the British Prime Minister has found it necessary and wise to utter a warning against this almost inconceivable mania for putting one's money at stake, not by using any worth, or intelligence, or information, or reason, or judgment of one's own, but merely upon chance. I think I must now refer to the matter of sweepstakes machinery as I understand it, and the results of those great Irish sweepstakes that have just taken place. But first let me read what I find in the newspapers:

> Toronto, May 11.—Close to 10,000 Torontonians who have tickets on the Irish Free State hospital sweepstakes on the English Derby have not a chance of winning a prize in the English classic. Their tickets have been stopped in the mails.
>
> Between 400 and 500 were stopped by postal authorities to-day. A total of 10,000 have already been taken from the mail and forwarded to the dead letter office within the past month, post office authorities said to-day.
>
> Since lotteries are illegal in Canada, the transmission of anything pertaining to them through the mails is also illegal, and officials are on the watch for these.

Hon. Mr. BARNARD: Will my honourable friend pardon me for one moment? He has just read one very excellent reason why, if this Bill were passed, people would not want to buy tickets on the Irish Sweepstakes. It would still be illegal to do so.

Right Hon. Sir GEORGE E. FOSTER: But my argument as to competition must be taken into account. I let it go for what it is worth. I place it before honourable members and my honourable friend, and I hold that in that competition it would be entirely impossible for him to be a successful competitor.

Then, this is the reasoning, is it, after all that we have seen, and the miseries and suffering from the speculative mania, the gambling mania, which has spread through Canada during the last two years, bringing those sad results? After all that, we think it would be a good thing to remove the restriction which now certainly prevents many Canadians from becoming subscribers to that fund through the mails, and to make it legal to use the mails and all the other machinery, so that there may go by mail, not 10,000, but 20,000 and 100,000 and more tickets!

A great national industry has been discovered by my honourable friend, and he is trying to introduce it into this country. It is in Ireland to-day. There they have already had three sweepstake drawings. That whets the appetite for more, and they are now putting up the machinery for another sweepstake on the Manchester November Handicap, whatever that is—my honourable friend will know—and they intend to raise a fund, not of 15 millions, but of 25 millions, and to drain a large part of that money out from old mother England. Out of the suffering, the poverty, and the dole-stricken condition of that country the greater part of the present fund at the disposal of the sweepstakes organization in Dublin has been garnered. They propose to make another and greater haul from the same source. These tickets cannot be sold nor funds collected by mail; so agents are hired to go over with the money, purchase the tickets, deposit the counterfoils, and do all that sort of thing. Oh, it is a great industry, a great Irish industry, soon to be paralleled by a great Canadian industry. Profits?—scarcely imaginable! Good, moral, religious, character-making influences, beyond the description of pen or tongue! Ho, for the bright day of the near future! Adieu, depression and hard times for ever afterwards! Honourable gentlemen, I commend it to you. That is the philosophy, and that is the chimera, which is as unsubstantial as any that has ever been foisted upon any people in the history of the human race.

Now I come down to a practical point. I have taken some trouble to study this matter, and very fortunately I have just to-day received what I suppose is the only official report that we shall have with reference to that sweepstake. I do not know whether in the economy of sweepstake business the promoters are obliged to present to the Government a report covering exactly the whole operation. Almost every honest trader has to do it; every corporation or company is liable to be called upon; and I should suppose that those in charge of the great Irish industry would copy those approved methods of procedure and would duly present to their Government an authentic account, audited by chartered accountants, as to the whole operation, including the results of the distribution. But I have to-day a reputable newspaper's report which gives me the bones of the sweepstakes transaction in Dublin, and I will use that.

Honourable gentlemen, in round numbers, which I have calculated in dollars from reports given in pounds, the amount of the fund in Dublin reached the grand total of 14 millions of dollars. The price of each ticket was ten shillings.

I find in the report a lively description of six lorry-loads of counterfoils, guarded by Irish police, and taken to the abiding place of the great round drum and its smaller companion. In the great round drum seven million counterfoils were mixed, and mixed, and mixed by the wheel. In the small drum 33 names of horses were placed. In that mass of seven million slips resided the fortunes of the lucky winners, and the losses to all the unlucky subscribers.

Now keep in mind that the fund itself raised for Irish hospitals amounted to $14,000,000. Bear in mind also that out of this the hospitals received only $3,400,000. The gamblers and the gambling machinery necessary to accumulate the fund absorbed $10,600,000. Those figures are stupendous. The disparity between 20 per cent and 80 per cent of that fund is the thing that strikes one. Present to a national finance minister, a railroad management, or a business corporation, a plan by which they could raise a fund out of which they would retain 20 per cent distribution to themselves at a cost of 80 per cent of the whole fund, and what financial concern, what industry, what railroad manager, what business corporation or company would endorse such an uneconomic and wasteful transaction? That is the first thing. It is based on no economic or financial grounds which can for a moment be upheld.

But there is a wider and deeper significance yet, and it is this: Of those seven millions of counterfoils which went through the big drum, and out of which the Irish nurses

plucked a certain number of counterfoils—in all, less than 627 in principal prizes—what happened as a distribution of national wealth? If we take the assumption, which I think is about correct, that there were seven millions of counterfoil holders, and that out of those seven millions only 627 drew principal prizes, is not that gambling at tremendous odds? When I said that this was the apotheosis of chance I think I was justified by these figures.

Now let us carry those down a bit. In this great prize-winning contest what advantage is there to the civilized as against the uncivilized man—to the scientific as against the unscientific and unlearned? Your moron has just the same chance as the president of your university. Your ignorant Lascar on a ship in the Far East has just as good a chance as the President of the United States. One is as well endowed as the other, and no better, to compete in such a competition. All judgment, all reason, all experience, all that which has accompanied the march of the human from the jungle to twentieth century civilization—all that counts nothing for the twentieth century man.

The largest prize is $150,000, and there are 19 such prizes. A negro out-of-work in the city of Boston drew a first prize on a horse and received $150,000. Where does that $150,000 come from to this negro out-of-work? It comes out of the pockets of 60,000 fellow human beings each of whom hands out ten shillings, and makes possible its transfer to the successful negro competitor in the city of Boston. Is that a transaction which is to be imitated? You may multiply that until you reach 10 millions and odd which went to the gamblers, yet all of the 10 millions except a number of small consolation prizes was distributed to 627 persons! That is, to get money which cost no effort, which showed no super-intelligence, but which depended entirely upon the most far-off chance, in order to pay that large amount of money to the gamblers, you had to take a contribution of 10 shillings from each of 4,200,000 persons! Is that an economical transfer of wealth? Is there anything in finance or in economics which justifies such a transfer from a great number of people to 627 persons? I could carry this argument further, but I think I have made my point sufficiently clear.

And now I come to another consideration. Here is a sum of which 20 per cent goes to charity and 80 per cent to make up prizes for some of the gamblers and to defray operating costs. Does such a transaction commend itself to the common sense of this Senate and of the people of Canada? But there are still further implications. What would be the educative effect of this Bill if it became law? For, of course, the law does have a distinct educative influence. My honourable friend (Hon. Mr. Barnard) gave us no detailed information as to the way in which such a law would operate. Well, I submit that the first thing that would follow the passage of the Bill would be the removal of all barriers to the lottery system. In the train of that removal there would follow a large number of evils, very few of which I have been able to mention, but one of the most important would be the cultivation of the gambling spirit, particularly among the rising generations, until it became the controlling mania in this Dominion. Unless the gambling spirit were cultivated to that point, this new industry would not achieve the acme of success. Now, should we give our endorsation to a thing of that kind? If this Bill should become law, there would be a lifting of the restriction on the use of the mails for distributing propaganda concerning lotteries, and every hamlet, town and city would be flooded with alluring stories and pictures: "Great gains made by So-and-So, a poor working man. He invested ten shillings and now he is the possessor of $150,000. Go thou and do likewise. Dust up your ten shillings and put it into this new industry of Canada." And not only would the mails be open to this sort of thing, but the advertising columns of our newspapers would contain forceful appeals. I do not need to say anything about the infinite skill with which advertising experts play upon the desires of people nowadays. And in every newspaper that comes into Canada from abroad there would be exciting and captivating descriptions of wealth made by holders of sweepstakes tickets. Strongly worded appeals would be directed to our young people: "You, Tommy Jones, get Papa to give you ten shillings, and you may become a millionaire." And to young ladies in academies: "Form a pool in your academy. Put in your ten shillings and you will have a chance to become the richest lady in the land." Can anyone say where this propaganda would stop? Can anyone estimate its enervating, disorganizing, desocializing and denationalizing effect? There would be a salesman in every hamlet, who for his work in selling tickets would get either the chance of winning a prize or, what would be perhaps more satisfying, a definite commission for every ticket of which he disposed. What did the Government representative in the Dail say? "You must have large prizes or else you will not get large funds." There

would be no lack of salesmen to speak in glowing terms of the prospect of winning a large prize.

Now, it is conceded that the lottery is a black looking monster, and so there is an attempt to join it arm and arm with an angel of light. When that is done there are two grounds on which a man may be approached to buy a ticket. You may go to the man who is inclined to gamble and say: "Here is a chance to make a fortune. Put in your money and try your luck." Or you may go to the staid person who does not take very well to the gambling proposition, and say, "For the sake of sweet charity, won't you take a ticket?" The thing has no bounds. It is so insidious that it might possibly eat out the honest heart of the people of Canada. Give it rein, protect it, authorize it, grant it legal sanction and the facilities it requires, and who can say where the thing will stop? I am sure I cannot.

The only ounce of comfort that I have for my honourable friend the promoter of this Bill (Hon. Mr. Barnard) is that the Soviet Government has gone just about as far as he proposes we should go. I do not know the exact attitude of my honourable friend towards the Soviet, but I hope he has not been indoctrinated with their theories to the extent of starting off on his false scent. I read that the Soviet has authorized a loan of $800,000,000, to be divided into two classes of bonds. One class will carry 10 per cent interest; the other bears no definite rate of interest at all, but here and there throughout the series of bonds there is one which carries a tremendous prize. The Russian who happens to buy that one becomes a millionaire, in a country which prohibits millionaires; so maybe the Soviet gets the prize after all. I have still another little crumb of comfort for my honourable friend: down in Sao Paulo, in South America, they have established or are about to establish a lottery.

I think my honourable friend (Hon. Mr. Barnard) has not used his financial and economic knowledge in a way that would tend to the greatest good of humanity. The American Red Cross, a great national charity, recently found itself pressed for funds. It wanted to raise $10,000,000, and the President of the United States set his foot down against raising that by any means which would take away from the sympathetic and large souled people of that country the privilege to subscribe. What a pity that my honourable friend did not confer with President Hoover and the American Red Cross and point out to them the excellencies of the system which he now proposes!

Is there a more sacred and, if one may say so, holy charity than that which concerns itself with the care of our aged and our sick? If it is proper to apply the lottery for the assistance of this great charity, why not apply it in other great charities and organizations for spiritual and humanitarian work? But what a sensation would be caused throughout the Dominion if some honourable member were to father a Bill in this House reciting the difficulty of raising funds at present, and proposing that the United Church of Canada should make up part of its great missionary appropriation by allying itself with an exploitation of the gambling instinct—in other words, with a lottery system! If there is no objection to the principle of a lottery on religious or moral grounds, we are driven to the conclusion that what is good for one noble cause may be good for all.

Honourable members, I thank you for listening to me so attentively and patiently. I now move, in amendment, that there be added to the motion for third reading the words "this day six months."

Hon. A. B. GILLIS: Honourable senators, after listening to the very eloquent speech of the right honourable gentleman, I feel that there is little left for anyone to say in criticism of the Bill. I regret that I have to oppose my honourable friend from Victoria (Hon. Mr. Barnard), for whose judgment I have every respect, but I feel that he has strayed from the right path in bringing this Bill before the House. Reference was made yesterday to the hurried manner in which the Bill was given second reading. I was not present on that occasion, or I should have objected to the hasty procedure. The measure would have been passed if my honourable friend from Pictou (Hon. Mr. Tanner) had had his way, for he suggested that it be given third reading there and then.

Hon. Mr. TANNER: That would have saved us a lot of trouble.

Hon. Mr. GILLIS: It might have, but we should have missed the eloquent speech that we have listened to this afternoon.

Hon. Mr. DANDURAND: Hear, hear.

Hon. Mr. GILLIS: The Bill would have been given third reading in about three minutes but for the motion for reference to a committee. My right honourable friend (Right Hon. Sir George E. Foster) stated at

a previous sitting that some fifteen or twenty minutes were occupied at the second reading stage, but he was a little generous. It would have been a serious reflection on this House to give the third reading in that way, because, I think, a large majority of the people in the Dominion do not approve of the principle of the Bill. The hasty procedure on second reading is an example of the way in which legislation is sometimes rushed through here without the consideration it merits. We have well defined rules to govern the progress of every bill through this House, and I think we should endeavour to adhere strictly to them, no matter how urgent a measure may seem to be. Occasionally we hear a complaint that the Senate has not sufficient work to do. Well, I think that the fault is partly our own, because we do not get down to business and carefully scrutinize every matter that comes before us.

The mover of this Bill (Hon. Mr. Barnard) based his argument in support of it largely on the ground that the people of Canada are allowed to deal in stocks, bonds, wheat and other commodities, and in that way incur risks. Nobody disputes that. Any citizen has a perfect right to spend his money as he pleases, within the law. For example, I may buy a thousand bushels of October wheat and pay a margin of ten or twenty cents on the purchase. I may be called upon later on to make an additional payment, or I may dispose of the wheat before October. If I hold it until that time I must pay the remainder of the purchase price or lose what I have already invested. That is a transaction that concerns me and the person from whom I buy, and no one else. Of course there is an element of chance in almost everything in life. A merchant buys a bill of goods with the object of selling them at a profit. He is taking a chance there. A farmer sows seed in the spring of the year and takes a chance on the harvest. Similar instances could be multiplied indefinitely.

If in the past we had had the power, and used it, to pass legislation to prevent people from gambling in stocks, the country would have benefited greatly. The crash that occurred in 1929, which is responsible to a certain degree for the depression now existing in almost every country in the world, would probably have been avoided in Canada.

It is true, as the honourable gentleman who introduced this Bill (Hon. Mr. Barnard) stated, that our hospitals are finding some difficulty in raising the necessary funds. The hospitals are not alone in that respect. Other institutions are having similar troubles. But I question very much whether any of our hospitals, even if this legislation were put upon the Statute Book, would take advantage of money obtained by means of what would be nothing more nor less than a system of public gambling. It is possible, too, that those who to-day are so generously supporting those institutions would disapprove of this class of legislation and withdraw their support, and that municipalities that usually give grants would discontinue them. Should this legislation pass, there is a danger that the resultant loss to the hospitals would be greater than the resultant gain.

I imagine that the honourable gentleman who brought in this Bill was actuated by the success of the Irish Free State hospital sweepstake. That matter has been so fully and thoroughly dealt with by the right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster) that it is hardly necessary for me to say anything more about it. I may say, however, that conditions in the Irish Free State are entirely different from conditions in Canada. Here in Canada we have a cosmopolitan population holding diverse views, whereas the Irish Free State has virtually one people, all united, or nearly so, on this point.

As I have stated, our hospitals are in need of support; but I do not think we need fear for their future. The people of Canada take a great pride in their hospitals and support them liberally. I should like to cite an instance that came under my observation a short time ago. In a little town in the province where I reside there is a small cottage hospital. This hospital, because it is unable to comply with certain provincial regulations, does not receive any Government grant. A short time ago this hospital, which had been doing good work for a number of years, found itself in difficulties and threatened with the possibility of having to close its doors. However, the citizens of that little town, the town council, and the councils of one or two of the near-by rural municipalities got together and within a comparatively short time arranged for the carrying on of the institution. That in itself is perhaps of not much importance, but I think it is fair to say that the spirit shown on that occasion prevails throughout Canada from one end to the other, and that it is therefore not necessary to adopt a system of gambling to maintain our hospitals.

My honourable friend (Hon. Mr. Barnard) made reference to horse-racing. He said that we allow horse-races and betting on them. In every province in Canada races are held. In some provinces there is no limit to the

number of meets. I have just looked up the law of the Province of Saskatchewan and I find that in that province there are certain restrictions. An Act for the Regulation of Horse-Racing, Chapter 233 of the Revised Statutes of Saskatchewan, provides, in part, as follows:

(1) Except as hereinafter provided, no person shall hold or conduct any race-meeting or horse-racing, nor shall any person aid in, enter in, judge, start, race in, drive in, or ride in any horse-race within Saskatchewan.

Then there are certain exceptions to this section. The first is:

(a) Race-meetings held under the auspices of an agricultural society or exhibition association on a race-course, operated as a part of or in connection with an agricultural fair or exhibition.

The second is:

Horse-racing by an association, turf club or group of persons for a period not exceeding three days in any one calendar month.

The third is:

Race meetings at which no opportunity is afforded either directly or indirectly by the management or otherwise for the placing of bets or wagers through the agency of a pari-mutuel system or otherwise.

From this we see that in the Province of Saskatchewan there is a limitation placed upon horse-racing. I do not find any fault with horse-racing; I think it is really good sport. It is a very ancient sport, and through the centuries, from the time of the chariot race of Ben Hur, we have always had horse-racing. Nobody enjoys horse-racing more than I do if I have no money on the races; but if I am weak-minded enough to put up money it is always my misfortune to lose.

Hon. Mr. TANNER: In the Province of Saskatchewan is there any limit on the amount a person may bet, or on the number of tickets he may buy?

Hon. Mr. GILLIS: No. There is a fine of $5,000 if one does not comply with the law.

Hon. Mr. TANNER: You can bet as much as you like.

Hon. Mr. GILLIS: You can bet as much as you like. That is done all over the world. As was pointed out by the right honourable gentleman (Right Hon. Sir George E. Foster), there is no country in the world where the people take a greater interest in horse-racing than they do in England. In that country horse-racing is regarded as one of their national sports, and certain races are looked forward to year after year as great events. But if my honourable friend will read the statement of what happened in the British House of Commons on the 19th of May he will observe that what was defeated was not a Bill, but only a motion for leave to introduce a Bill, and that although horse-racing is upheld in that country sweepstakes are not approved of for any purpose.

The honourable gentleman from De Salaberry (Hon. Mr. Beique) gave notice of one or two amendments to this Bill. They will be found on page 184 of Hansard. One of the amendments, as I understand it, provides that the operation of this Act shall apply only within a province wherein the Attorney General has signified his approval of the sweepstake, and that tickets shall not be sold outside of that province. Is that not true?

Hon. Mr. BEIQUE: Yes.

Hon. Mr. GILLIS: It is proposed that the sweepstake shall be carried on entirely within the bounds of the particular province that endorses this legislation?

Hon. Mr. BEIQUE: Quite so.

Hon. Mr. GILLIS: I suppose the honourable gentleman will explain a little later.

Hon. Mr. BEIQUE: Except outside of Canada.

Hon. Mr. GILLIS: Yes. But can the honourable gentleman devise a means of effectually carrying out a law of that nature? I live within a few miles of the boundary of Manitoba. What is to prevent me from jumping into my car and driving a few miles to a race meet in the Province of Manitoba? If this law is good for one province, why is it not good for the whole Dominion of Canada? Why discriminate? Surely if the operation of the law is to be confined to one or two particular provinces confusion is going to result, and it will never be possible to carry it out successfully.

Another amendment proposed by the honourable gentleman from De Salaberry provides that tickets for a sweepstake shall not be sold in Canada except in the province approving of such sweepstake, and that the mails shall not be used for the purpose of delivering tickets outside that province. I presume the honourable gentleman will inform the House what machinery he has devised to make possible the carrying out of this provision. If Manitoba should take advantage of this measure, are we in Saskatchewan to scrutinize every letter that comes into our province from Manitoba? I think this provision is impossible of enforcement.

In the face of all these objections, and in spite of the fact that this country has lost grievously in connection with stock trading, we have before us a Bill which throws the doors wide open to the rankest kind of gambling. There is no question about that. The benefit of one, two, or a dozen individuals in a province is not the benefit of the province generally, and a Bill encouraging such a system as this would, I think, be a blot on the legislation passed by this House. I therefore hope that honourable members of this Chamber will see the wisdom of voting against the Bill.

Hon. G. LACASSE: Honourable members, I wish to offer a few words of comfort to my honourable friend from British Columbia (Hon. Mr. Barnard). I think we must all admit that the measure he has advocated has been rather roughly handled by the right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster) and also by the honourable gentleman from Saskatchewan (Hon. Mr. Gillis). The right honourable gentleman knows the secret of the use of the dramatic and of ridicule, and employs them both with equal skill—an accomplishment which I cannot help admiring. I must admit that he made in opposition to this measure one of the strongest pleas that I ever heard on the floor of this House. But I think that his plea would have been much stronger if it had been directed towards the abolition of every sort of gambling. No matter what may be said or done, gambling continues to exist. Honourable gentlemen do not know that as they leave this Chamber they will not be met by a young lady selling tickets for a draw that is being conducted under the auspices of some charitable organization, club or benevolent society. That is gambling on a small scale; it is gambling nevertheless; and I would emphasize the fact that the principle is just the same whether one buys a fifty-cent ticket for a draw or bets a substantial sum on a horse-race.

Gambling exists everywhere at the present time, as was stated by the honourable gentleman from Saskatchewan (Hon. Mr. Gillis), who so strongly opposed this measure. Life is a gamble. We bet something on everything. If we do not gamble on the fluctuations of the stock exchange, we gamble on the weather.

An Hon. SENATOR: And on elections.

Hon. Mr. LACASSE: Yes, we gamble on elections. I venture to add, at the suggestion of my honourable friend, that the present Prime Minister of Canada gambled a great deal last July.

Hon. Mr. LAIRD: He won.

Hon. Mr. LACASSE: And he won—to his great disappointment at the present time.

An Hon. SENATOR: He is gambling still.

Hon. Mr. LACASSE: My honourable friend from Saskatchewan (Hon. Mr. Gillis) stated a while ago that if a law had been passed to prevent our people from speculating in stocks in such a wild way a few years ago, much money would have been saved. In that he is right. If at the same time there had been in effect such a measure as we are now studying, much of that money would have been kept in the country and would have gone to the benefit of our charitable institutions.

I know what a deep respect my right honourable friend the junior member for Ottawa (Right Hon. Sir George E. Foster) has for one of the mother countries of Canada—France—through his association with the League of Nations. We all know that a lottery system has been made use of by the highest financial authorities of France.

Hon. Mr. CASGRAIN: The Government.

Hon. Mr. LACASSE: In that connection I need only refer to the Panama Canal and the bonds of the City of Paris. I heard my right honourable friend state that countries that have at heart their honour and dignity would not contemplate such a scheme. Well, such a scheme is a reality in the dear old land of France and in many other places as well.

My right honourable friend has said that in many of these undertakings—and he mentioned one in particular—only 20 per cent of the money subscribed reaches the institution for which the money is being raised. Possibly that is true. I take his word for it. But let me add that the same is true of any organized charity. In this connection I should like to refer to what took place in the city of Detroit a week or so ago, when it was discovered, to the distress of Mayor Frank Murphy, that out of the fund established for relieving distress in that city $250,000 had been appropriated by one of the officials of the committee. That is a very substantial sum of money. What happened there represents one form of exploitation of charity. Whatever may be the scheme, there always will be a hole for money to leak through.

Right Hon. Sir GEORGE E. FOSTER: He was not allowed by law to take it.

Hon. Mr. LACASSE: No. But they do not seem to have any means of following up the man, and whether he goes unpunished or not, the stolen money will not be recovered.

The reason why I am favourably disposed towards this Bill is that to my mind it involves not so much a principle as a method

of granting to the provinces a right that we at the present time possess. I do not think the proposed measure is so drastic after all, because it would simply transfer to the provinces the right to handle this matter, subject to the provisions stipulated in the Bill. It says:

> Notwithstanding any law to the contrary and notwithstanding anything to the contrary contained in any other Act, it shall be lawful from time to time for the Attorney-General of any province—

—and so on.

With reference to that, my honourable friend from Saskatchewan (Hon. Mr. Gillis) said that if such legislation is good for one province it should be good for the whole of the Dominion of Canada. Quite so. But we all know that the management and supervision of charitable institutions are matters exclusively under the control of the provincial authorities. There is in Ontario, for instance, a Charitable Institutions Act, and it is from the Government of Ontario that institutions in that province receive their annual and other grants. I conclude that such legislation as this might meet with the sentiments and the needs of the people of one province and not of another; therefore I say that from a provincial standpoint the measure is a logical and most rational one. I believe that the transfer of the right to carry on sweepstakes in this country under sensible regulations and proper supervision is a step in the right direction. As a medical practitioner I am fully aware of the bad conditions under which our hospitals everywhere are striving at the present time, and I think that the establishment of an organization to help them along would be a most commendable step.

Hon. ROBERT FORKE: Honourable members of the Senate, as seconder of the motion of the right honourable the junior member for Ottawa (Right Hon. Sir Geo. E. Foster) I feel that I ought to say a few words in regard to the Bill that is now before the Chamber. I have full sympathy with the motive that impels the honourable member for Victoria (Hon. Mr. Barnard) to bring forward a motion of this kind; that is, to do something to help the hospitals; but I cannot say that I am in sympathy with the method that he has adopted.

The American Medical Association, at its meeting in Philadelphia some little while ago, took notice of the growing use of hospitals. Many more people are going to the hospitals for help than in bygone days. The Association also passed a resolution asking members to do all they possibly could to combat the federation of medicine, which I suppose means the turning over of the practice of medicine and the care of hospitals, to some extent, to the state governments. This is not in line with some arguments that were put forward in another place by medical men the other day, which pointed rather towards the state taking a more active part in caring for the health of the people and helping hospitals and other such institutions. However, I do not intend to deal at any length with that part of the subject.

I want to say a few words in regard to the maintenance of hospitals as we have them at present. The number of hospitals is increasing rapidly; much more so than the population. It has been estimated that about 20,000 beds have been added to hospitals and asylum accommodation every year for the last twenty years, though our population is not increasing at anything like the same rate. This shows that many more people are taking advantage of hospital service than previously.

Methods of financing our hospitals vary in great degree. These institutions include the public or civic hospitals, supported by the taxes of the people and by fees charged patients who are able to pay, and all grades down to the small cottage hospital that my honourable friend the member from Saskatchewan (Hon. Mr. Gillis) mentioned a little time ago, which is almost entirely supported by private contributions. Many splendid contributions have been made by wealthy citizens, and great help has been given to hospitals in this way.

I might speak briefly of the hospitals in Manitoba, as I am more acquainted with that province than any other part of the Dominion. I might say that in the early days of that province I came into very close association with hospital work through being an official of the municipal association in my town for twenty years, and I was constantly dealing with hospitals and with the Government in regard to all institutions of that sort.

Away back in the nineties, when a large population was flowing into Manitoba, hospital needs were very great. In regard to the Winnipeg General Hospital, I will not say anything about how the buildings were financed, but will deal with maintenance. At that time grants were made by the province, by the city of Winnipeg, and by the rural municipalities in the whole province. There was no definite system. Each municipality made whatever hospital grant they saw fit. The plan worked satisfactorily, though one municipality might not contribute as liberally as a poorer and weaker one; but a climax was reached when the Winnipeg General Hospital

refused to admit some charity patients from outside municipalities.

I very well remember that the executive of the Municipal Union, after considering this matter, concluded that some definite method would have to be adopted whereby charity or non-paying patients would be taken care of. They met a committee from the hospital and discussed the whole matter. The hospital people were very much astonished to find how willing and ready the municipal people were to meet their wants and help them out of their difficulty. At that time it was arranged that the Provincial Government should contribute so much for each non-paying patient, and each municipality should pay a stated amount for each such patient coming from its neighbourhood.

No doubt that plan was satisfactory at the time; but troubles arose. It was difficult, in a shifting population, always to know the exact domicile of a patient in the hospital. On the coming of a patient who was unable to pay, it was the business of the hospital to notify immediately the municipality concerned, and I suppose the hospitals suffered in some degree from always having to establish where the non-paying patient came from. Then the Charities Aid Act was passed by the local legislature, and that was very satisfactory for a number of years. Funds coming from this source met the requirements of the hospital. I include the St. Boniface Hospital, which was in much the same position as the Winnipeg institution.

But times have changed and the needs of hospitals have very much altered since those days. Medicine and surgery, as well as hospital services, though much more efficient, are much more expensive. In these days, as is often said, there are only two classes of people who can afford to go to a hospital: the rich and the very poor. The rich can afford to pay for hospital services, while the very poor get such services for nothing. The great majority of the people, men who are earning small salaries or working for daily wages, or men in a small agricultural way, with only a limited income, find it almost impossible at present to meet the necessary hospital expenses and the cost of medical treatment. Consequently we find that people of an independent spirit, with small means, will sometimes suffer a good deal before they will go to a hospital, and if they go and obtain necessary treatment they are perhaps crippled financially for many years.

I hope I am stating these matters in a very moderate way. We hear a great deal about the high fees of medical men. There may be some truth in the statement that fees are high, but at this particular time I want to say that perhaps there is no profession whose members give more free services than do the doctors in the Dominion of Canada, and perhaps everywhere else. Yet that does not remove the fact that a great many people find themselves unable to meet the high tariff of the hospital and the fees that an efficient and expert medical man will have to charge.

There is a difficulty in financing hospitals at present, but I wanted to point out an experience of the early years that I have mentioned. At that particular time the hospital people imagined that the municipalities were trying to evade their responsibility and were not willing to pay for the services of the hospitals. I remember the experience in regard to the Manitoba Sanatorium, one of the finest and best institutions that exist anywhere for the treatment of tuberculosis. It has done untold good not only by the services it has given in the Sanatorium, but also by its great services in disseminating information as to how patients may take care of themselves and give themselves treatment. At first there used to be a tag-day for the Sanatorium, and perhaps there never was a tag-day into which the people entered with more enthusiasm. But again the municipal authorities came to the rescue, and it was suggested to the superintendent of that institution that instead of having the tag-day he should get an amount from the Government, and the municipalities said they were willing to give their share. Some members of the Manitoba Government were met, this suggestion was advocated, and an Act was passed by which the local Government could levy a special tax for the Manitoba Sanatorium. Since that date the levy has been doubled, I think, and perhaps trebled. Still the fact remains that the municipal councils throughout the province, when they were appealed to in the right way, and the difficulties were properly represented to them, would always rise to the occasion and come to the aid of the hospitals. I am ready to say that they will do so again whenever they are called upon.

I noticed in The Morning Citizen newspaper yesterday that there was talk of giving the children in the city of Ottawa medical and dental attention. The Citizen mentioned that the service would cost about $20,000, and pointed out that the ratepayers would have to foot the bill for what it called an unnecessary piece of state health bureaucracy. Well, as the state finds it worth while to educate the boys and girls, I wonder whether it is not worth while at the same time to pay

something for the health of those same boys and girls. It might cost the City of Ottawa or any city quite a few thousands of dollars, but health and well-being are just as necessary for boys and girls as their education.

This kind of service is not entirely new. I know that a great many municipalities in Manitoba have nurses who go around and inspect the children. Not only that, but in some schools medical men regularly inspect the children for the purpose of ascertaining what is needed for their health and well-being. Long ago I was led to believe that it might be well to take care of the health not only of the children, but also of older people. That might be done by the Dominion, by the provinces, by the municipalities, or in some public way. I am not suggesting anything so drastic at the present time, but I believe the day will come when the state will find it to its advantage to take care of the health of the people, and even to give proper care, when required, in the matter of sickness. We have in the Dominion and in all the provinces health committees who do a great deal of work along these lines at present, and that service can be enlarged as time goes on, and as people become educated to the idea.

I want to say a few words of praise about the small hospitals to which the honourable member from Saskatchewan (Hon. Mr. Gillis) has alluded. They have done splendid work, carried on almost entirely with contributions, by hospital aid societies and otherwise. A chapter of hospital work that has never been written, and perhaps never will be written, relates to the splendid work that is being done in the outlying northern parts of the Prairie Provinces. I remember a public man in the Province of Alberta, in speaking of the experience of some settlers, especially some women in the far north, telling what they had to endure and what they went through. The tears ran down his cheeks as he told some stories of children there. That work has been kept up, to a very large extent, by small hospitals where perhaps one nurse could go. They were perhaps a long way from medical help from a doctor; still I believe they did good work, which has been carried on for many years, with very little said about it in the public press or in any other way.

More hospital accommodation is going to be needed; there is no doubt about that. That is the indication at the present time. Whenever sickness comes the hospital is going to give individuals proper care and medical treatment. The financing of hospitals is one of the very important problems we have now before us. I believe this can and will be met if the people are properly appealed to for support for those institutions.

In conclusion I would say that I do not believe the lottery is the best means of settling the question of hospital aid. In fact I do not need to say anything along this line after the very eloquent speech we have had from the junior member for Ottawa (Right Hon. Sir George E. Foster). There does not seem to be anything to be said other than that this Bill should be left out of court as not being in line for the object aimed at, the support of hospitals.

We have heard stock and grain exchanges referred to as in line with this proposal. They are not in the same class. As far as the grain exchange is concerned, those who know its working will know that the selling of futures to some extent is an absolute necessity to the carrying on of the grain trade. You may call it speculation if you will.

Hon. Mr. CASGRAIN: Gambling; the worst kind of gambling—on the people's bread.

Hon. Mr. FORKE: No, it is not gambling. I will digress for a moment to tell how futures are carried on in the stock exchange. I have no doubt that certain members here know more about it than I do, but I have read the judgment that has been given by the commission that has been sitting in the Western Provinces recently. As you know, there is a very large number of elevators in Western Canada. A certain quantity of wheat is bought at all those elevators every day during the fall, or during the time when wheat is being marketed. It is offered to the elevator superintendents, and those men buy the wheat because the farmers are bringing it in and want the money for it. Consequently, in buying the wheat they have to pay what they consider the reasonable market price. How are they going to save themselves from loss? They are buying wheat that may not be sold for a long time ahead. What they do is this. Those elevator operators send in a report on the definite quantities of wheat they have bought. The head office figures up how much wheat has been bought that particular day, and the price that has been paid, and the calculation is made up for some time, for a future market, so that there may be no great loss in the buying of wheat by people who are operating in a legitimate way.

Perhaps I should go into this matter much more minutely than that, but if you think of it for a moment you see there must be

some way by which the grain buyer may protect himself from loss. He does so by what is called "hedging"; that is, buying or selling futures. It is not gambling in the proper sense of the word. No doubt there is gambling done in wheat, but I cannot take the time to go into that matter; it would take the whole afternoon to discuss it. It is too intricate and difficult to understand in just a few minutes. But on the grain exchange there is not so much gambling as a great many people suppose. Many of our farmers used to think that the grain exchange was just a gambling place.

Hon. Mr. STANFIELD: I do not know what it is if it is not gambling.

Hon. Mr. SHARPE: What about the fellow who has no grain at all, and just goes and buys on option?

Hon. Mr. FORKE: That is gambling. I was going to refer to that in regard to both grain and stocks. When a man does that he uses judgment.

Hon. Mr. CASGRAIN: He may have bad judgment.

Hon. Mr. FORKE: He may have bad judgment, but he uses his judgment as well as he can. He tries to estimate, for instance, the crop prospects, the amount of wheat available, and so on. His judgment is based upon a great number of things. But as the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) pointed out, there is no need for brains or judgment in buying a lottery ticket. The lottery is nothing but a pure gamble.

Hon. Mr. LAIRD: A man has good judgment if he wins.

Hon. Mr. FORKE: Well, he may think he has, if he wins. There is no doubt that speculation in grain and stocks is often disastrous, and perhaps it would be better for the ordinary person to keep away from the exchanges.

Hon. Mr. LACASSE: Try to stop them.

Hon. Mr. FORKE: Perhaps we cannot. I really do not think that there is anything I can add to what has been said against lotteries. I had some arguments ready, but they have been so well stated already I do not need to repeat them. Gambling is economically unsound, both for business and individuals, in whatever way we care to look at it. There is much unrest at the present time; it is hard to get people to settle down to business. The more we increase facilities for gambling the more unsettled will conditions become. The lottery is contrary to the spirit and the genius of the Canadian people, and I do not believe the time will ever come when Canadians will rely upon such a means for the settlement of financial difficulties.

Where could we stop if we passed this Bill? Another measure for the legalization of sweepstakes is on the Order Paper for second reading, and if it and the present one are passed a great many charitable institutions may ask for permission to raise money by lotteries. I disagree with the opinion of my right honourable friend (Right Hon. Sir George E. Foster) that a lottery would probably not bring in so much as the promoters of the Bill estimate. I believe that the money would be obtained, but it would come to a large extent from the pockets of poor people who cannot afford the loss. I can only add that I am against this Bill because it would be detrimental to the dignity and the honour of Canada to resort to the lottery as a means of raising funds for our charitable or other public institutions.

Hon. Mr. CASGRAIN: May I ask the honourable gentleman a question? I understood him to say that there were 20,000 new beds every year in the last twenty years. Did I hear him aright?

Hon. Mr. FORKE: Yes. There have been some 400,000 additional beds altogether.

Hon. Mr. CASGRAIN: If there are 400,000 additional beds, what would be the proportion to the population? One-quarter of the people would be in bed all the time, according to my calculation.

Hon. Mr. FORKE: There are ten million people.

Hon. Mr. CASGRAIN: Yes.

Hon. Mr. FORKE: I think my honourable friend's calculations are not correct.

Hon. Mr. CASGRAIN: I will vote against the Bill if you can explain that to me.

Hon. Mr. FORKE: I will make a confession. I got some figures from a certain source, and the other day I observed different figures were quoted in a debate in the other House. I came to the conclusion that neither set of figures was accurate, and I thought I would strike an average between the two.

Hon. Mr. CASGRAIN: One-quarter of the people would be in bed all the time.

Hon. Mr. FORKE: No; 400,000 people are not one-quarter of the population.

Some Hon. SENATORS: Question!

Hon. R. DANDURAND: Honourable senators, I desire to congratulate my right honourable friend (Right Hon. Sir George E. Foster) on the very excellent speech to which we have just listened. I had prepared some extended notes on the question before us, but the right honourable gentleman has covered the ground so well that I feel it is not necessary for me to say much.

My honourable friend from Essex (Hon. Mr. Lacasse) has said that gambling is going on all over the country and that we cannot stop it, whatever we do. I would draw his attention to the fact that the policy of the Parliament of Canada has been to restrict as far as possible the occasions and facilities for gambling. He will see that section 236 of the Criminal Code makes five exceptions to the general prohibition against lotteries. Subsection 6 of section 236 reads:

6. This section does not apply to

(a) the division by lot or chance of any property by joint tenants or tenants in common, or persons having joint interests (droits indivis) in any such property;

(b) raffles for prizes of small value at any bazaar held for any charitable or religious object, if permission to hold the same has been obtained from the city or other municipal council, or from the mayor, reeve or other chief officer of the city, town, or other municipality, wherein such bazaar is held, and the articles raffled for thereat have first been offered for sale and none of them are of a value exceeding fifty dollars.

(c) the distribution by lot of premiums given as rewards to promote thrift by punctuality in making periodical deposits of weekly savings in any chartered savings bank;

(d) bonds, debentures, debenture stock or other securities recallable by drawing of lots and redeemable with interest and providing for payment of premiums upon redemption or otherwise;

(e) the Art Union of London, Great Britain, or the Art Union of Ireland.

There have been from time to time raffles at church bazaars all over the country, but as far as I know the other exemptions have not been availed of to any considerable extent.

Formerly there was in the Criminal Code another exception:

Any distribution by lot among the members or ticket holders of any incorporated society established for the encouragement of art, of any paintings, drawings or other work of art produced by the labour of the members of, or published by or under the direction of, such incorporated society.

Under that clause members of an art society could draw for their own works among themselves. But there was considerable abuse of the law. For instance, an art society would be incorporated, buy a number of very inferior pictures, mostly chromos, and set them up in a store. I have seen two or three such places in Montreal. According to the law these pictures could be sold only among members of the institution, but the establishments got over that by issuing tickets, the purchasers of which became members. Every Saturday there was a drawing. Each picture bore a price ranging from $1 to $1,000, and it was announced that the winner of any picture might take the money instead. The result was that many of those chromos remained on the walls for months and years.

Hon. Mr. GRIESBACH: Like the India rubber sandwiches in Quebec.

Hon. Mr. DANDURAND: This privilege to art societies was abused to such an extent that I decided, after repeated requests by police magistrates, to endeavour to have it withdrawn. Nearly every week young boys would be up in the courts charged with pilfering small sums with which to buy tickets. The lotteries were operating in the centre of Montreal, on St. James street and Notre Dame street, and they had a bad influence on large numbers of boys and young men who were attracted to them on Saturday afternoons. My Bill to eliminate from the Code the excepting clause that I have quoted was readily agreed to in this Chamber. It met with considerable resistance in another place, where interested parties put up a formidable lobby, yet the measure carried. My honourable friend from Essex (Hon. Mr. Lacasse) does not realize what an improvement there was in Montreal the day after those places were closed, as compared with the day before. The very atmosphere seemed to be purer.

A lottery is a game of chance, based on nothing but a possibility, and sensible people of experience govern themselves by probabilities rather than by possibilities. I submit to my honourable friend (Hon. Mr. Lacasse) that if it is wrong to lure our young people with the idea that they can obtain money by chance without effort, then we should not put the temptation of a lottery in their way. We had in Montreal some years ago 400 licensed saloons. There was one at nearly every street corner on Craig street. They sold alcoholic liquors, beer and wine, and drunkenness was rampant. In time the number of licences was greatly reduced, and now liquor cannot be so easily obtained. The result is that there is not the same temptation to young people, and the city of Montreal has been greatly benefited.

Of course, I know it is annoying to think that hundreds of thousands of dollars go from Canada for the purchase of tickets in the Irish sweepstakes. Two weeks ago I

was in a small town of less than 3,000 people, where there are two branch banks. One of the bank managers told me he had transferred $200 on behalf of his own clients for the last sweepstake, and that he knew a similar amount had been sent from the other bank. That is $400 from that small place; so it seems reasonable to assume that a total of hundreds of thousands of dollars, perhaps more than a million, left this country for the purchase of tickets in that sweepstake. Many of the people whose money went to make up that vast sum would not contribute directly towards the support of hospitals; they bought a ticket only because there was a chance to make something. One of the most difficult arguments we have to face is that a lottery system would provide funds that are badly needed by many of our hospitals. But it seems to me that our chief concern in this matter should be to do nothing that might encourage the gambling spirit among our young people, and for that reason I shall vote for the amendment.

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

BANKRUPTCY BILL

THIRD READING POSTPONED

Hon. Mr. WILLOUGHBY moved the third reading of Bill 73, an Act to amend the Bankruptcy Act.

He said: Honourable members, I move the third reading of this Bill. It has already been explained to honourable gentlemen.

Hon. Mr. DANDURAND: I understood that the honourable gentleman from De Salaberry (Hon. Mr. Beique) intended making some remarks on the third reading of this Bill. As it is now six o'clock, perhaps my honourable friend would postpone it until to-morrow.

Hon. Mr. WILLOUGHBY: The honourable gentleman had not intimated anything of that kind to me, but the suggestion is quite acceptable.

The motion for the third reading stands.

RELATIONS OF SENATOR WITH DOMINION GOVERNMENT

NOTICE OF MOTION

Hon. Mr. POPE gave notice of the following motion:

That a Special Committee of .... members of the Senate be appointed to inquire into and report upon the matter mentioned by the Hon. N. A. Belcourt at the sitting of the Senate of June 16, 1931, and appearing in the Debates of the Senate of that date, in regard to the purchase by a Department of the Government of copies of the publication "Canada," and also to consider and report upon the association of the said Hon. N. A. Belcourt in the said matters, and what action, if any, should be taken by the Senate in regard thereto.

Hon. Mr. DANDURAND: My honourable friend has very often complained that he could not hear anything said by the old men in the centre of the Chamber. I would draw his attention to the fact that we have not heard a word of his notice—

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DANDURAND: —and I would ask the Clerk at the Table to read it.

Hon. Mr. POPE: All right. He can read it. I am sorry you are deaf.

The notice was read by the Clerk at the Table.

IDENTIFICATION OF ALIENS BILL

CHANGE IN SPECIAL COMMITTEE

Hon. Mr. WILLOUGHBY: I have a motion that, with the leave of the House, I will move in respect to the Committee on Bill A1, an Act to provide for Alien Identification Cards. It is:

That the name of Hon. Senator Sharpe be substituted for that of Hon. Senator Bénard.

The honourable gentleman from St. Boniface (Hon. Mr. Benard) is not in Ottawa.

The motion was agreed to.

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

THE SENATE

Thursday, June 18, 1931.

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

Prayers and routine proceedings.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. F. L. BEIQUE presented the report of the Standing Committee on Miscellaneous Private Bills on Bill 11, an Act respecting a certain patent application of Emma E. Tait, and moved concurrence therein.

He said: Honourable senators, the Committee has made one amendment, to the same effect as that which has been made to a number of similar bills in past sessions. It is merely for the purpose of protecting the rights which any person may have acquired

in respect to the invention while the application was forfeited and before the notice of the petitioner's intention to apply for this Bill was published.

The motion was agreed to.

THIRD READING

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

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. F. L. BEIQUE presented the report of the Standing Committee on Miscellaneous Private Bills on Bill 52, an Act to amend the Board of Management of the Canadian District of the Evangelical Lutheran Joint Synod of Ohio and other States, and to change its name to the "Board of Management of the Canadian District of the American Lutheran Church," and moved concurrence therein.

He said: Honourable senators, the Committee has made an amendment, which simply corrects the title of the Bill. This measure has two objects: firstly, to make a change in the name of the board of management of the Church in question, in compliance with the wishes of all concerned, and secondly, to provide that the head office of the board shall be at the city of Medicine Hat, in the Province of Alberta.

Hon. Mr. DANIEL: I presume the intention is to put this Bill through two stages to-day, as was done in the previous instance. I submit that the forthcoming adjournment of the Senate is no justification for such hasty procedure.

The motion was agreed to.

THIRD READING

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

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. F. L. BEIQUE presented the report of the Standing Committee on Banking and Commerce on Bill J1, an Act respecting the Eastern Telephone and Telegraph Company, and moved concurrence therein.

He said: Honourable senators, this Bill is reported without amendment. The company concerned operates in the Lower Provinces, and its function is to connect the United States lines of the American Telephone and Telegraph Company to the trans-Atlantic cable. When the company was incorporated it had a large capital, which is no longer necessary, and the object of the Bill is to reduce it and thereby cut expenses.

Right Hon. Mr. GRAHAM: One does not need much of a bill to do that nowadays.

The motion was agreed to.

THIRD READING

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

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

THE JUDICIARY

NOTICE OF MOTION

Hon. L. McMEANS gave notice of the following motion:

That he will move that a Select Committee of this House be appointed to examine into the system of appointing judges as at present existing, with power to send for all papers and examine witnesses under oath, and report upon the necessity of taking some steps by which the number of judges may be reduced, and the system of appointments equalized.

He said: Honourable senators, may I just say a word in explanation? When I expressed myself as opposed to a two weeks' adjournment of the Senate, I said that I had an important matter that I should like to have examined. The notice of motion I have just given pertains to that. I think anyone who has a knowledge of the number of judges in Canada to-day can come to only one conclusion, namely, that there are too many. This is not my own opinion only. I have taken the matter up with the Attorney General of Manitoba and have also spoken to the Chief Justices of the different courts in that province. The Attorney General informed me that he was quite willing to have the number of appeal judges in Manitoba reduced from five to three, but that he thought he ought to have some recommendation from or concurrence with the powers that be at Ottawa. I am illustrating my point by referring to the one province of Manitoba, which has five judges sitting in the Court of Appeal, although that province has only about 600,000 people, mostly agriculturists, and no matters of great importance are involved.

Hon. Mr. POIRIER: Soviets?

Hon. Mr. McMEANS: Well, there are some there. Compare that province with Ontario, which has a population of nearly 3,000,000. In Ontario, I think, there are two Courts of Appeal, but in some parts of that province the judges are doing a good deal of work, though in other parts they have practically nothing to do.

I asked a judge of the Court of Appeal in Manitoba what he thought about the Attorney General having the number of appeal judges reduced from five to three, and he said it was a good idea. The other western provinces —Saskatchewan, Alberta and British Columbia—also have Courts of Appeal. We know that the provinces create these courts and the Dominion has to pay the salaries of the judges. In some parts of the country the county judges are so numerous that many of them have little to do.

I have no desire to cast any reflection on the Bench, but I do think that conditions would be improved if the numbers were reduced when vacancies occurred, and judges were selected only where they might be needed. The number of judges could be reduced where it was shown that they had nothing to do. If we made some report to the Dominion Government after an investigation, so that they could take this matter up with the provinces, we might accomplish a great deal of good. I have no doubt we could effect an immense saving in expenses to the country. Our population is not increasing, but if there should be an increase in population, or a necessity for more judges, it would be a simple matter for the provincial governments to increase the number of judges by amendments.

I made enquiry some time ago as to the number of superior court judges in this Dominion and found there were 136, if I recollect rightly, whereas in England—which, of course, means England alone, and does not include Ireland or Scotland—I found that for a population of nearly 50,000,000 people there were only 32 or 33 judges who have to deal with the most serious questions, such as admiralty, probate and similar cases. It is from those English courts that we get all our legal precedents, and therefore they are most important; yet they have only 32 or 33 judges for a population five times larger than ours, while we have 136 judges for about 10,000,000 people. I believe that if we could bring about such a change as I propose, the judges themselves would be well satisfied, as well as the people, and there would be a great saving to this country.

Now that an adjournment for the next two weeks has been decided upon, I have no hope of any progress being made in the matter at this session, but I desired to bring it before the House prior to the proposed adjournment.

Hon. Mr. MacARTHUR: Honourable members—

Hon. Mr. BARNARD: Honourable members, I must protest. I rise to a point of order. I have sat here silent and listened to the exposition of the honourable member for Winnipeg (Hon. Mr. McMeans) with regard to a motion that he purposes making at some future time. I consider that his remarks were out of order. He occupied a considerable time, and I certainly must protest against any further remarks being made upon that notice of motion at the present time, and would ask that we proceed with the regular business of the House.

RELATIONS OF SENATOR WITH DOMINION GOVERNMENT

NOTICE OF MOTION

Hon. Mr. DANDURAND: Honourable members of the Senate, the honourable gentleman from Bedford (Hon. Mr. Pope) yesterday gave notice of a motion, which is down for consideration to-morrow. I would suggest that my honourable friend be afforded an opportunity, by the unanimous consent of the House, to present that motion now. We could dispose of it this afternoon. My purpose in making this suggestion is simply to let him know, on behalf of myself and the other members on this side of the House, that we are at his disposal.

Hon. Mr. POPE: I presume I need the unanimous consent of the House in order to propose this motion to-day instead of to-morrow.

Some Hon. SENATORS: Yes.

The Hon. the SPEAKER: Is it your pleasure, honourable members?

Hon. Mr. GILLIS: I object. The motion should be proceeded with at the next sitting of the House.

CORRECTION OF STATEMENT

Before the Orders of the Day:

Hon. ROBERT FORKE: Honourable members, with your permission I should like to make a correction of a statement I made yesterday during the debate on the Hospital Sweepstakes Bill. I stated that about 20,000 beds had been added to the hospitals each year for the last 20 years. I find that I made a mistake. What I ought to have said was 2,000 for 20 years.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. FORKE: It is only the difference of a cipher.

Hon. Mr. SHARPE: Only ten times too many.

Hon. Mr. FORKE: That makes the total number of beds in the hospitals of the Dominion of Canada to-day about 77,000. I knew there was something wrong, and I think I ought to thank the honourable senator from De Lanaudière (Hon. Mr. Casgrain) for calling my attention to the mistake.

HOSPITAL SWEEPSTAKES BILL

REPORT OF SPECIAL COMMITTEE—BILL REJECTED

The Senate resumed from yesterday, the adjourned debate on the motion of Hon. Mr. Barnard for the adoption of the report of the Standing Committee to whom was referred Bill E, an Act with respect to Hospital Sweepstakes.

Hon. P. POIRIER (Translation): Honourable members of the Senate, the matter under consideration is a question of high morality, since it concerns assistance to the hospitals. If it involved only that, I would support the Bill; but we have to consider also the means proposed, and to these I cannot subscribe. The question arises, Does the end justify the means? Are the means lawful? Should we encourage lotteries as proposed in the Bill? I do not think so.

There is first the question of charity. If the act of charity is to be complete, he who gives must have some merit in giving. Suppose that to-day I meet a needy person and give him a meal. He benefits by that meal, and, as it is a matter of charity, I have the merit of having given it to him.

With regard to the sweepstakes proposed by this Bill, I would ask you, honourable colleagues, whether the person who buys a ticket is actuated by the idea of doing a charitable deed. Seldom; perhaps never. The dominant idea is to possess a winning ticket. In the case of the sweepstakes the hospitals would undoubtedly benefit, but it would be necessary to deduct the commissions, the cost of advertising, the prizes, etc. For every million, or perhaps million and a half, paid to the hospitals, one or two millions are retained or distributed among the promoters and ticket-sellers.

Should we encourage sweepstakes in Canada? I remember that before Mussolini came into power lotteries flourished everywhere in Italy, especially in Calabria. From what I have read in the newspapers it appears that in that country there were people who, expecting to win fortunes by purchasing lottery tickets, contented themselves with the thought and the hope that they held lucky numbers, and thus they spent their time in idleness. Italy, from the moral point of view, suffered considerably from that state of mind.

You may tell me that what the Bill proposes is not as serious as what took place in Italy; but everything has a beginning. You have doubtless noticed, honourable gentlemen, that the Canadian people have been deeply stirred by the results of the recent drawing in Ireland. Out of several millions of tickets sent from Canada a few succeeded in winning up to $30,000. Now everybody believes that by purchasing a sweepstakes ticket he will acquire the wherewithal to live in ease and comfort in his old age. The effect of that, honourable members, is pernicious. You create among the purchasers of tickets the hope of suddenly becoming rich, and that is a rather unwholesome attitude. So far as I am concerned, although I am not a severe moralist, I am whole-heartedly opposed to this Bill, because of its harmful tendency.

The law allows certain benevolent lotteries. They have not the same effect. At bazaars and tombolas, for instance, the prizes given are not large and people are not made rich by them. Most people buy tickets for the purpose of helping the bazaar. There is morally no harmful result. But the effect of drawings conducted on a large scale is harmful. For this reason I shall vote against the Bill.

Hon. F. L. BEIQUE: Honourable gentlemen, I rise to say but a few words on this question, especially to draw the attention of this honourable House to the effect of the amendment of which I have given notice. The purpose of my amendment is to leave it to each province to decide for itself whether or not sweepstakes shall be allowed to be operated within the province and outside of Canada. The proposed change would limit the operation of sweepstakes in Canada to such provinces as are in favour of it. I think my amendment is a step in the right direction.

Now, without for the present expressing my opinion on the merits of the Bill, I would draw the attention of this honourable House to this point, that in considering the Bill it is desirable to keep in view the facts as they exist at the present time. Whether this Bill passes or not, sweepstake tickets will be sold. They are being bought in the various provinces of the Dominion and they will continue to be bought in very large numbers.

Canadian money will be wasted in great measure, and the balances will go to the benefit of hospitals in Ireland. If the Bill were passed by this honourable House it would be left to the Attorney General of each province to see that control is exercised over the amount of wages to be paid to any and all officials or promoters, and it would be his duty to see that as large a portion as possible of the amount of money paid should go to the hospitals. Therefore the Bill would prevent the money of this country from being wasted in Ireland, and would ensure its reaching a proper destination, to be used for the benefit of hospitals in this country.

Another argument in favour of the Bill is that it is an effective way of assisting the labouring classes. In this country we have not one-fifth of the hospitals for the labouring people that we should have, and to my mind this is about the only way to provide for the establishment and maintenance of such hospitals. As I said a moment ago, we should take into consideration the fact that sweepstake tickets are being sold in this country, and that unless the sale of these tickets is prevented, the money will go to Ireland instead of being applied to the benefit of the hospitals of Canada.

Some Hon. SENATORS: Question!

Hon. G. H. BARNARD: Honourable gentlemen, if no other members wish to address the House, I should like, in closing the debate, to say a few words in reply to the speech made by the right honourable the junior member for Ottawa (Right Hon. Sir Geo. E. Foster) yesterday afternoon. I feel that the introduction of this Bill should be a source of satisfaction to us all, because, even if it has done nothing else, it enabled the members of this House to hear the right honourable gentleman yesterday and to note the unwaning power of his intellect and the undiminished vigour of his sarcasm, ridicule and invective. I am sure honourable members will join with me in extending to him hearty congratulations on the eloquence of his effort and in expressing the wish that he may long be spared to enliven the proceedings of this Chamber on any question that may come before it.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BARNARD: If I had as much confidence in the sound judgment of the right honourable gentleman as I have admiration for his eloquence, I should feel constrained to withdraw the Bill from the House; but on previous occasions I have had to differ with him so frequently on kindred questions that I am impelled to leave this Bill to the judgment of the House.

I do not purpose following step by step the arguments made by the right honourable gentleman in his speech, but shall deal with only one or two points upon which I think he argued not quite fairly. I intend also to ignore the personal references that he made to me. I do not think the right honourable gentleman meant to be severe, for he is a kindly person, and I think his bark is probably somewhat worse than his bite.

His first objection was that there had been an endeavour by somebody—myself, I suppose—to railroad this Bill through the House without proper discussion. He was followed by my honourable friend to my left (Hon. Mr. Gillis), who made the same statement. The facts are these. The Bill was introduced into this House on the 6th of May. It was printed and distributed. It came up for second reading on the 8th of May, and after short speeches in favour of it had been made by myself and the honourable member from Hamilton (Hon. Mr. Lynch-Staunton), it received its second reading nem. con. Apparently nobody else wanted to speak. I do not know whether my right honourable friend (Right Hon. Sir George E. Foster) was under the impression that it was my duty to provide him with speakers in opposition to the Bill, or whether he thought it was my duty to come to him, as the custodian of the public morals in this House, and tell him that he should be ready to say something in opposition to my measure. If not, it seems to me that it was his business and his duty, when the Bill had been on the Order Paper for the customary length of time, to have read it, and, if he had any objection to it, to get up and voice that objection. The next step was a motion to send the Bill to a special committee. I did not ask for the third reading at that time. Some honourable gentlemen suggested that it should get the third reading then, and naturally I said I had no objection; but my motion, the motion that carried, was that the Bill should go to a special committee. The Bill then went to a special committee. The report of the committee was presented to the House on the 13th of May and has been standing for consideration since, and the motion now before the House is that the report be adopted. Under these circumstances, and particularly in view of the expeditious passage of the Copyright Bill, which in my opinion is of considerably greater importance to the public than the present measure, any suggestion that an attempt was made to railroad this Bill through is, I should say, somewhat of a joke.

With the—uncharitableness, I was going to say—of those who are really conscientious, the right honourable gentleman imputes a quite erroneous motive to the promoters of this Bill. He says that its primary object is not to provide money for the hospitals, but to encourage gambling, the hospitals being thrown in as a bait. I think that it is only necessary for one to read the Bill—I presume the right honourable gentleman has done so by this time—to see that all its provisions are such as to safeguard the application of the moneys that are raised under it, and to ensure that they shall go to the benefactions that have been mentioned.

I believe that it is far better to allow the people of this country by law to purchase sweepstake tickets—in the purchase of which they see no wrong—than to constrain them to follow their inclinations and do something that is illegal. I believe also—and here again I probably differ with my right honourable friend—that it is better that the people of this country should by law be allowed to use alcoholic beverages than that they should be constrained to do so illegally and secretly.

An Hon. SENATOR: As in the United States.

Hon. Mr. BARNARD: Those are questions on which my right honourable friend and myself are not, and never will be, I suppose, in accord. We must therefore agree to differ. I do not share the views of some people of this country who

> Compound for sins they are inclined to,
> By damning those they have no mind to.

The next point of the right honourable gentleman was that because the prizes in the Irish Free State sweepstakes are so large it would be impossible to sell in this country, in competition, the tickets for our own sweepstakes. Well, I think that the people of Canada are naturally a law-abiding people; that they are desirous of abiding by the law, within reason, and would rather buy a ticket in a Canadian sweepstake legally than buy one illegally in an Irish sweepstake. My right honourable friend probably would not agree with me in that. Possibly those who think as he does have not as good an opinion of the ordinary people of this country as I happen to have.

My right honourable friend waxed eloquent in his description of the evils that are to follow this Bill. I refuse to share his apprehensions in that respect. When we were considering the repeal of the prohibition laws I listened very often to my right honourable friend's predictions of the evils that were going to befall this country, and I really do not feel that his predictions at this time are any better founded than were those that he made before. I think that under the present system of Government control of the sale of intoxicating liquors the country has got along pretty well. I remember, when the question of prohibition was before the country, seeing full-page advertisements in the American and the Canadian press—paid for out of some fund of which I do not know the source—stating that under prohibition every gaol and penitentiary in the United States and Canada would be closed.

Hon. Mr. LACASSE: They have had to be enlarged in the United States.

Hon. Mr. BARNARD: What has happened? Never has crime been so rife, never were the gaols and penitentiaries of the United States so crowded, as since the passing of the Eighteenth Amendment.

My right honourable friend was kind enough to suggest, because I was in favour of this Bill, that I was in some way in sympathy with the Soviet Government. That argument struck me as a somewhat far-fetched one, not altogether charitable, or not made in what my right honourable friend would probably call a Christian spirit. If he had suggested that possibly I was in sympathy with the Government of France when it financed on premium bonds, under virtually the same system as that of the Soviet Government, to which be referred, I would not have taken any exception whatsoever to the statement; and, as I suppose I cannot sink any lower in the estimation of the right honourable gentlemen, I have not the slightest hesitation in telling him that I am a holder of a few of those bonds of the French Government, which, unfortunately, have not yet been redeemed at a premium.

My right honourable friend quoted from several newspapers on the subject of this particular legislation. I do not know that what they say is of any great interest to this Chamber. But if he had wished to look a little further he could have found articles presenting the other side of the case. I will read from the New York Sun an article quoted by that paper from the Saturday Review, published in London, and I suggest to him and to this House that these words might to some extent be taken to heart.

> A Parliament which declines, on grounds of public morality, to countenance national lotteries, while drawing revenue from the drink traffic and taking toll from public gambling on horses and dogs, is guilty of muddled thinking, or hypocrisy, or both.

Hon. Mr. BUREAU: That is pretty strong language.

Hon. Mr. BARNARD:

Its position is as absurd as when it insists on preaching free trade to a world bristling with hostile tariffs. If Mr. Snowden and his Fabians were alone concerned, this purblind refusal to direct national proclivities into channels of national usefulness would be intelligible; your dogged doctrinaire is impervious to logic.

I should like to quote also a short paragraph from the New Statesmen and Nation, published in London on May 9, 1931. It says:

The appointment of a select committee on lotteries and sweepstakes is understood to be imminent. A select committee is not as a rule a very effective body; a free debate, on the lines of that which recently took place on the Sunday opening of cinemas, would probably give the House a stronger lead. Some such lead is badly needed, for Mr. Clynes has by now manœuvered himself into an impossible position. His attempts to suppress participation in the Free State Derby Sweepstake have shown how strong are the currents of opinion which he has set himself to combat; the tickets he has threatened to seize at the ports are flaunted in his face in the House of Commons. With three departments of State—the Home Office, the Post Office and the Customs—busily manufacturing criminals, and with magistrates all over the country giving contrary decisions as to what is legal, the law is being thoroughly brought into contempt. We do not want this question of gambling to become the bugaboo that Prohibition has proved itself in America.

Hon. Mr. MICHENER: Are there any Canadian papers?

Hon. Mr. BARNARD: There are. I have one or two quotations from them, but I do not wish to bother the House with them.

My right honourable friend (Right Hon. Sir George E. Foster) laid great stress upon the fact that in England lotteries have been delegalized." Lotteries were legal in England a great many years ago. It was also a great many years ago that they were "delegalized," as my right honourable friend calls it. He neglected, however, to mention the fact that within the last two or three years, or very recently, the Government has legalized the betting on racing, and the totalizator betting machines, and is taxing the proceeds.

Then the right honourable gentleman said that there were no requests from any hospitals for this Bill, and that no hospital board or governing body had passed a resolution in favour of it. I have one or two telegrams which I purpose putting on Hansard. This is the first one:

Stewart, B.C., May 25, 1931.

Senator Barnard,
Ottawa.

We earnestly hope Hospital Sweepstake Bill will pass. Without aid because of depression hospital here will probably be forced to close this winter if not before.

Wilson,
Secretary, Stewart Hospital Board.

And from New Westminster, British Columbia, May 23:

Hon. G. H. Barnard,
Senate,
Ottawa.

The board of directors of the Royal Columbian Hospital last night passed the following resolution: Resolved that this board is in favour of the principle of the Bill introduced in the Senate to legalize sweepstakes for hospital purposes.

E. S. Withers, Manager.

From Kelowna, British Columbia, May 11:

Senator G. H. Barnard,
Ottawa, Ont.

We, board of Kelowna Hospital, strongly support your Bill re hospital sweepstakes. Under present system we have no means to raise money except by going hat in hand to Provincial Government and taking our chance. Money is leaving district in many forms of gambling permitted or otherwise that could well be used for hospitals. Many of the ministers locally do not oppose hospital sweepstakes while opposing other forms of gambling. Many of local hospitals under present system are in hopeless position, one even owing two years' accounts. The hospitals are full and overflowing, mostly out of works and indigents. We ask you urgently to do all you can with this Bill to relieve the situation.

J. H. Broad, Acting President.

Here is another telegram from Kelowna, British Columbia, dated May 11:

Senator Barnard,
Ottawa, Ont.

At a recent meeting of the Okanagan Valley Hospital Association a resolution was unanimously passed urging a changing of the Criminal Code to permit of hospital sweepstakes. This association comprises seven hospitals in Okanagan Valley. They strongly support you in your efforts.

Hughes Games, Secretary.

And from Prince Rupert, British Columbia, May 27:

Hon. Senator Barnard,
Ottawa, Ont.

Directors of Prince Rupert General Hospital unanimously support your Bill to permit sweepstakes being legally held for the benefit of hospitals and have wired our member for Skeena to support same.

H. W. Birch, Secretary.

And from Prince George, British Columbia, on the same date, May 27:

Hon. Senator Barnard,
Ottawa.

Am pleased to inform you that the members of the Prince George Hospital Board are unanimously in favor of your Bill to legalize sweepstakes for the benefit of hospitals. Wishing you every success.

C. H. Wisenden.

In addition I received a telegram, which I have mislaid, from the board of the Abbotsford Hospital in the Fraser River Valley. I may say that these telegrams come from practically every section of the Province of British Columbia.

I do not wish to take up any more time, but in closing I want to repudiate once more, as emphatically as I can, the suggestion of the right honourable the junior senator from Ottawa (Right Hon. Sir George E. Foster) that the primary purpose of this Bill is the encouragement of gambling in Canada. The Bill has been sponsored here, honestly and in good faith, with the object of providing a means whereby hospitals, which are necessary institutions, might be financed without undue burden on any individual, and I ask that it be judged in that light by the House.

The amendment of the Right Hon. Sir George E. Foster was agreed to on the following division:

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Hon. Mr. BARNARD.

Hon. E. D. SMITH: Honourable senators, I was paired with the honourable senator for Inkerman (Hon. Smeaton White). Had I voted, I should have voted for the amendment.

Hon. J. MURDOCK: Honourable senators, I was paired with the honourable senator for Welland (Hon. Mr. Robertson). Had I voted, I should have voted for the amendment.

Hon. A. B. COPP: Honourable senators, I was paired with the honourable gentleman from Westmorland (Hon. Mr. Black). Had I voted, I should have voted for the amendment.

Hon. A. B. GILLIS: Honourable senators, the honourable gentleman from Saltcoats (Hon. Mr. Calder), who is in very poor health, stated he did not expect to be in the House when the vote was taken; so I paired with him. Had I voted, I should have voted for the amendment.

BANKRUPTCY BILL

THIRD READING

Hon. Mr. WILLOUGHBY moved the third reading of Bill 73, an Act to amend the Bankruptcy Act.

He said: Honourable senators, I understand the honourable gentleman from De Salaberry (Hon. Mr. Béique) wishes to suggest some amendments to this Bill.

Hon. Mr. BEIQUE: As I have already stated, if the Hon. the Minister of Justice had not expressed his intention to bring some amendments to the Bankruptcy Act before Parliament at the next session, I should have moved several amendments to the Bill that is now before us. In the circumstances I thought it proper to wait until next session, but I had intended to follow the suggestion of a few honourable members and explain the amendments I have in mind. Possibly I have been dilatory; in any event, I have not the amendments ready to-day.

Hon. Mr. WILLOUGHBY: I take it that the honourable gentleman is not objecting to the passage of this Bill, but that he has other amendments to the Act in mind.

Hon. Mr. BEIQUE: Yes, that is it.

Hon. Mr. WILLOUGHBY: That being the case, I suggest the honourable gentleman should agree to the third reading of the Bill now, because his amendments to the Act can be dealt with later.

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

PRIVATE BILL

SECOND READING POSTPONED

On the Order:

Second Reading Bill K1, an Act to amend an Act to incorporate The Army and Navy Veterans in Canada.—Hon. Mr. Griesbach.

Hou. Mr. GRIESBACH: Honourable senators, I had hoped a few days ago that this Bill would be sent to a committee. Had that been done, it would have been before the committee next week and I should have been ready to go on with the matter at that time. I am not prepared to deal with the question at the moment, and therefore I move that this Order be discharged and placed upon the Order Paper for the next sitting of the House.

The motion was agreed to.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill M1, an Act for the relief of Robert Ruff Martin.

Bill N1, an Act for the relief of Norah Kathleen Nevins Scott.

Bill O1, an Act for the relief of Albert Thompson Johnston.

Bill P1, an Act for the relief of Isabel Catherine Rohrer White.

The Senate adjourned until Thursday, July 2, at 8 p.m.

THE SENATE

Thursday, July 2, 1931.

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

Prayers and routine proceedings.

RELATIONS OF SENATOR WITH DOMINION GOVERNMENT

MOTION POSTPONED

On the notice of motion:

That a special committee of members of the Senate be appointed to enquire into and report upon the matters mentioned by the Honourable N. A. Belcourt at the sitting of the Senate on June 16, 1931, and appearing in the Debates of the Senate of that date, in regard to the purchase by a department of the Government of copies of the publication "Canada," and also to consider and report upon the association of the said Honourable N. A. Belcourt in the said matters and what action, if any, should be taken by the Senate in regard thereto.

Hon. Mr. POPE: Wednesday, July 8.

Hon. Mr. GORDON: Honourable senators, I should like to point out that when the honourable the senior member for Ottawa (Hon. Mr. Belcourt) made his preliminary statement he said he would place before this House the evidence given at the trial, as well as the judgment. He has not produced the evidence given at the trial, and I should like to ask the honourable leader on the other side (Hon. Mr. Dandurand) if he will have the evidence placed before us.

Hon. Mr. DANDURAND: I do not remember that the honourable the senior member for Ottawa made that statement.

Hon. Mr. GORDON: He said, "I hope to be in a position on Tuesday next,"—

Hon. Mr. SINCLAIR: What date?

Hon. Mr. GORDON: On the 12th of June, page 259, the honourable the senior senator for Ottawa said:

I hope to be in a position on Tuesday next, when the House resumes, to place before honourable members all the evidence given at the trial, as well as the judgment.

Hon. Mr. CASGRAIN: He said he hoped to do so. We are full of hope for better times, but we are not getting them.

Hon. Mr. SHARPE: That is what he was waiting for.

Hon. Mr. DANDURAND: I thought that the honourable the senior senator from Ottawa (Hon. Mr. Belcourt) had complied with his statement of the 12th of June.

Hon. Mr. GORDON: But he did not produce the evidence.

Hon. Mr. DANDURAND: My attention had not been drawn to his declaration that he would produce the evidence. I do not know what he meant by the evidence. It may not have been extended.

Hon. Mr. GORDON: He said "all the evidence."

The motion was discharged from the Order Paper and placed on the Orders of the Day for Wednesday, July 8.

THE JUDICIARY

MOTION—DEBATE ADJOURNED

Hon. L. McMEANS moved:

That a Select Committee of this House be appointed to examine into the system of appointing judges as at present existing, with power to send for all papers and examine witnesses under oath, and report upon the necessity of taking some steps by which the number of judges may be reduced, and the system of appointments equalized.

He said: Honourable members, I have already made a statement to the House on the subject of this motion—though I was out of order, I believe, in discussing it—and anything that I might say to-night would be simply a reiteration of what I have already said. I would therefore simply move the motion for the purpose of giving honourable members of the House an opportunity of expressing themselves either in favour of it or against it. I have no hope that, even if the committee were granted, it would be able to accomplish much at this late date in the session.

Hon. Mr. CASGRAIN: Is that the motion with regard to the number of judges?

Hon. Mr. McMEANS: Yes.

Hon. Mr. CASGRAIN: I will vote with the honourable gentleman.

Hon. Mr. McMEANS: Had not my honourable friend better say something about it? His opinion is highly valued by the House.

Hon. C. MacARTHUR: Honourable senators, when the honourable member from Winnipeg referred to this motion at the sitting on June 18 I rose in my place with the intention of asking a question. I caught the eye of His Honour the Speaker, and had the floor, but I got no further than "Honourable members" when the honourable gentleman from Victoria (Hon. Mr. Barnard) rose in his place and raised a point of order. I think he intended to raise the point of order as against the honourable member from Winnipeg. I certainly was not out of order. I wanted simply to ask the honourable gentleman from Winnipeg whether he was reflecting the views of the Canadian Bar Association. I did not get an opportunity to ask my question. Perhaps my honourable friend will answer it now.

I may say that for the past few years I have been following some of the legislation and proceedings relating to County Court judges and Supreme Court judges, and perhaps have had something to do with the appointment of two or three of them. During that time much has been learned from the Minister of Justice and his officials, and there has been an expression of opinion by the members of the Canadian Bar Association, the effect of which was that they favoured not only a reduction in the number of judges, but also an increase in the judges' salaries. The honourable member from Winnipeg has not mentioned an increase in salaries, but has spoken of a saving to the country; so I take it that he has not considered the matter of increased remuneration. However, I should think that if in this respect a change in legislation is contemplated, the opinion of the Canadian Bar Association would have considerable weight, and I should like to hear from the honourable member from Winnipeg as to whether or not he reflects the views of the Canadian Bar Association.

Hon. Mr. McMEANS: I can only say in answer to the honourable gentleman that, so far as I know, this matter never came before the Canadian Bar Association. I do not know what its opinion may be, or that I should feel bound by it. I should want evidence from the different provinces and districts. I do not think the Canadian Bar Association could go into that matter. At a meeting of the Canadian Bar Association held some time ago, Sir Robert Borden, if I am not mistaken, made the statement that there were too many judges. I have no knowledge as to the question of salaries, and cannot say anything about it. That is for the Government to deal with. I think I can assure my honourable friend of one thing, however: that they will not be reduced.

I do not like to say very much about the Bar Association. Did my honourable friend ever attend a meeting of that association and hear it discuss any question relating to the judges? It does not discuss such questions except to say that the salaries might be increased. I do not think my honourable friend should ask me if I reflect the opinion of the Bar Association, because I cannot tell him. I have never been informed what that opinion is, and I do not see how I can say whether I reflect it or not.

Hon. Mr. MacARTHUR: With the permission of the House, I should like to explain. I am not a member of the Bar, and have no right to attend the meetings; but I think my honourable friend is a member and must know that this has been a live subject with the association.

Hon. Mr. McMEANS: No.

Hon. Mr. MacARTHUR: Formally it may not have been, but informally it certainly has been. I am not saying that I am in favour of an increase in salaries, but I think we are all agreed on the principle of reducing the number of judges. I was just wondering whether my honourable friend was reflecting the views of the Canadian Bar Association.

Hon. W. B. WILLOUGHBY: Honourable members, I am not going to discuss the motion of the honourable gentleman from Winnipeg (Hon. Mr. McMeans), but I would

remind the House that some years ago we passed what was commonly called the Ross Bill—a Bill introduced by my predecessor as leader of the Senate, providing that judges who served on commissions should not receive any remuneration for so doing. They drew their full Government allowances, of course, but were not to receive extra remuneration for other work done by them. I think that if the honourable gentleman who moves the motion would allow the inquiry to be extended to that legislation, it would be very useful to direct inquiry to it also, because it has been intimated to me that throughout Canada the Act we passed has become obsolescent. I do not know what truth there may be in that statement. When the Bill of Hon. Mr. Ross was under discussion it was stated clearly that a man occupying a position on the Bench should receive an adequate salary, but nothing more. I should like to have an addition made to the motion so as to have it cover that point.

Hon. Mr. McMEANS: There is a recent decision of the Court of Appeal to the effect that the Government of Canada has no power to pass that clause prohibiting a judge from undertaking an outside commission. That decision stands there to-day. I called the attention of the honourable leader of the Opposition to it some time ago, and he promised to take the matter up with the Minister of Justice and have the clause either repealed or enforced. The appeal judgment arose from a case in which a judge acted on an arbitration in which the City of Winnipeg was the defendant. The award was very heavy, and the City appealed to the Court of Appeal, taking the objection that the judge had no right to sit as an arbitrator. In the judgment, which was given by four judges, three of them held that the Dominion Act was not binding at all; that once judges were appointed they merely carried out the law of the province, and the Dominion Parliament had no power at all to pass that Act. I do not think that the Department of Justice paid any attention to that judgment, although the leader of the Opposition promised the House that he would have the matter looked into, and a report made on it.

Hon. R. DANDURAND: Of course it is not for the leader on this side to implement a promise made by the leader when on the other side. My honourable friend has just referred to the constitutional aspect of the problem. I intended rising to express my diffidence as to our right to go very far in such an investigation as that suggested by my honourable friend. The administration of justice lies with the provinces. The creation of the tribunals rests with them, and our duty is to make the appointments and pay the salaries. Of course I have known times when the Federal Cabinet has suspended its sanction for a while, but on being pressed by the Government of the Province that had enacted the legislation, it felt obliged to abide by the law.

The investigation that my honourable friend desires would not go much beyond an academic venture, and I would therefore suggest that he should not press his motion this evening, but should allow us to think over the matter. I confess that I have not given it the time I ought to have given. What disturbs me is the request for authority to send for witnesses and examine them under oath. If we are to consider this question academically, are we not going a little too far in starting an enquiry which would seem to be a judicial one?

Hon. R. LEMIEUX: Honourable members, I do not see that the motion calls for any investigation about judges violating the law. The honourable senator from Winnipeg (Hon. Mr. McMeans) has just stated that some judge was sitting in an arbitration. If we have to investigate such cases, the motion might be so amended as to enable us to ascertain whether in these instances there is a contravention of the law passed concerning this matter.

As to the number of judges, I do not know the circumstances in the Province of Manitoba, never having practised law there. I gather from the honourable gentleman's remarks that the number of judges in that province could be materially reduced. I do not know whether a similar evil exists elsewhere. However, I may say, with all due regard to members of the bar in other provinces, that we do not expect that the number of judges could be reduced in the old Province of Quebec. The reason is this. At the time of Confederation Sir George Etienne Cartier, who was one of the Fathers of Confederation and knew perfectly well the circumstances of the people of Quebec in the various districts from Gaspé to Pontiac, made it a point that the judges should reside in their respective districts. This principle was adhered to for a great many years, because the judge in his county town or city was like the seigneur of old, the very embodiment of leadership in society. With the bishop, the parish priest and the other leading authorities, he exercised a decided moral influence over the whole district. My honourable friend here from La

Salle (Hon. Mr. Bureau) and members from our rural districts know what a beneficial influence the judges in our province have exercised for fifty years.

The system has been changed in recent years. The objection that was made is, I admit, a serious one. The members of the bar in a particular district, appearing daily during every term of the court, would get from the judge residing in that district the same jurisprudence, and that might give rise to more appeals from the judgments of the Superior Court—the common law court of the Province of Quebec, of which I am speaking—than were necessary. It was thought by the Chief Justice of the province and the Assistant Chief Justice that judges should alternate and pass from one district to another. At the suggestion of the bar, and possibly of litigants, authority was therefore given that judges should, in turn, go from one district to another. There are objections to this system. The whole social life of those districts has been changed, and as was said the other day in another place by a gentleman who has occupied a very high position in the Government of Canada, it seems that the judges in the rural districts to-day are guided only by the railway time-table; the people have no chance to see them, and speak to them, and derive whatever benefit they can from their presence.

When the judges remained in the districts in which they resided they would after a while develop law libraries which could be consulted by litigants and barristers. Per contra, it has been stated that it is better to have the judges centralized in Montreal and Quebec, where they get better facilities to consult law libraries.

Hon. Mr. DANDURAND: And consult among themselves.

Hon. Mr. LEMIEUX: And consult among themselves, as I think they do. But, although I have ceased practising at the bar, I think this later system of centralizing justice in Montreal and Quebec is not altogether to be favoured. I think it is not according to the intention of the Fathers of Confederation, especially of Sir George Etienne Cartier, and before him Sir Louis-Hippolyte LaFontaine, and later Sir A. A. Dorion, who laid the foundations of our judicial system in the Province of Quebec. They meant that the judges should reside in their respective districts in order to exercise that moral authority which their appointments conferred upon them. Of course I am speaking for the Province of Quebec, and am venturing to give only my personal opinion on the matter.

On the other hand my honourable friend from Winnipeg (Hon. Mr. McMeans), if I may judge by his remarks and the tenor of his motion, would like to have the number of judges reduced. I do not question at all my honourable friend's intention. Do you not think that justice should be as accessible as possible to the masses of this country? The delays of justice are very strongly criticized, and also the costs. Without committing myself at present, I may say that I shall follow with interest the investigation by the committee. Before reducing the number of judges we should think twice.

Hon. Mr. POPE: Formerly the judges used to visit our country communities in the Province of Quebec, but they no longer do so, for the cases are tried at certain centres now and the parties have to go to the expense of taking witnesses there. It costs a man a great deal more now to find out whether he is entitled to win.

Hon. Mr. LEMIEUX: Hear, hear.

Hon. Mr. POPE: I say this notwithstanding that I am not a lawyer and I have never sued anybody.

Hon. J. P. B. CASGRAIN: It is quite true, as the honourable gentleman from Bedford (Hon. Mr. Pope) says, that the judges used to hold court in their country divisions. I approve of that system entirely, but that does not exactly come under the motion that is before this Chamber. I understand that the honourable member from Winnipeg (Hon. Mr. McMeans) expresses the opinion—and his motion is to the same effect—that there are too many judges. He says that the judges of the Court of Appeal in Manitoba, at any rate, think that there is not quite enough work for the five of them to do, and that the number might be reduced. I believe that the honourable gentleman from Winnipeg should be highly commended by this House. We are always hearing complaints in the Senate that we have not enough work to do. If a committee is appointed it will not necessarily follow that its work will bear fruit at this session, but it may result in an improvement later. I have noticed over a great number of years that many inquiries which have started here have had good effects. My honourable friend the leader on this side (Hon. Mr. Dandurand) says that we might have an academic discussion. Well, he has sat at the League of Nations, and that organization has had academic discussions for the ten years or more that it has been in existence, and it will continue to have them. I think the pro-

posed inquiry is a good thing and I shall heartily vote for the motion. If the special committee does not get through with its work this session, it will be reappointed next session.

There is certainly very much to be said on the whole question. Honourable members are aware that the best lawyers, especially in the large cities, will not accept an appointment as a judge. I do not think there is a lawyer in this House who will deny that. There are many lawyers—I could give the names of a number of them—who make four, five or six times as much as the salary of a judge. Then there are a number of judges—I shall not mention their names, although I have them in mind—who say they have no time to render a judgment until a year or even two years after they have tried a case. I claim that is a denial of justice. I am thankful to the honourable gentleman (Hon. Mr. McMeans) for bringing forward this motion, because it gives me an opportunity to say these things. Sometimes a judge will hold back his judgment in a simple case, stating that he has no time to attend to the matter, although he has time to deliver lectures on history and on various other subjects. Everybody knows that it often takes a long time to prepare an address. Honourable members will agree that sometimes before they make a speech in this House they have to spend a great deal of time in preparation. If no judge would deliver a lecture while he still has a judgment unprepared, there would not be this denial of justice. I think that there should be some law empowering the Minister of Justice or the Attorney General to tell a judge that he must deliver his judgments within a reasonable time.

Hon. Mr. CALDER: Hear, hear.

Hon. Mr. CASGRAIN: It is very imprudent, I suppose, for a land surveyor to speak like this, but if one gets old without learning anything what is the good of living? It often happens that a poor man, who has had a lawsuit in which he was on the right side, actually goes into bankruptcy months before he gets his judgment. Is that right? I believe that it would be a good thing if, as the honourable leader of the Government (Hon. Mr. Willoughby) suggested, judges were not allowed to act on commissions, nor to devote their time to any other work, when by so doing they have to deny justice to parties who are waiting for judgments. I suggest that the honourable gentleman from Winnipeg (Hon. Mr. McMeans) should include in his motion a recommendation along this line.

Hon. Mr. BUREAU: I rise to a point of order, which I ask His Honour the Speaker to decide. The motion is for the appointment of a committee to investigate the system of appointing judges and to inquire whether there are too many judges at the present time. But the discussion has drifted into a criticism of the judiciary of Canada. I think that is out of order.

The Hon. the SPEAKER: I think the point of order is well taken.

Hon. Mr. CASGRAIN: I bow to your decision, Mr. Speaker, with great pleasure; but I have my own opinion. We were told when the honourable gentleman (Hon. Mr. McMeans) introduced his motion, that England, with a population of nearly 38,000,000, has only some 32 judges, whereas Canada has over 400. Now, the honourable gentleman from Rougemont (Hon. Mr. Lemieux) has spoken about the system of appointing resident judges, and my purpose in rising was to refer to that. The centralization of the judges was brought about by the Hon. Thomas Chase Casgrain when he was Attorney General of Quebec. I think my honourable friend from Rougemont will agree that he was a pretty good lawyer. As my honourable friend has said, the judges were hobnobbing with the parish priest, and with the seigneur, if there was one left, as well as with other persons. They were not paid by this Government for doing that. In the city of Montreal there is so much business that the judges cannot attend to it all. Some of the delays are not the fault of the judges, who have more work than they can do. That is no criticism of them.

What I have been saying applies only to the Province of Quebec. There are different systems in other parts of the country. In Ontario, for instance, there are County Court judges. In counties which have two judges, one of them is the head County Court judge and he gives his assistant the privilege of sitting on many cases, especially in the hot weather.

The question as to the number of judges in Manitoba was responsible for the bringing of this matter before us.

Hon. Mr. McMEANS: No; in Saskatchewan and Alberta—in the whole country.

Hon. Mr. CASGRAIN: I really believe the proposed inquiry would be a good thing, whether it became academical or not. It is often claimed that the Senate has not very much work to do, but when some honourable member suggests work there is always someone opposed to it.

Hon. Mr. GILLIS: I wish to make a statement in regard to the number of judges in the Province of Saskatchewan, but I have not yet been able to get certain figures which I need. I therefore move that the debate be adjourned until Wednesday next.

The motion was agreed to, and the debate was adjourned.

OTTAWA AGREEMENT BILL

FIRST READING

Bill 80, an Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.—Hon. Mr. Willoughby.

ALBERTA NATURAL RESOURCES BILL

FIRST READING

Bill 84, an Act to amend the Alberta Natural Resources Act.—Hon. Mr. Willoughby.

SASKATCHEWAN NATURAL RESOURCES BILL

FIRST READING

Bill 85, an Act to amend the Saskatchewan Natural Resources Act.—Hon. Mr. Willoughby.

DOMINION AGRICULTURAL CREDIT COMPANY BILL

FIRST READING

Bill 88, an Act respecting Dominion Agricultural Credit Company, Limited.—Hon. Mr. Willoughby.

TRUST COMPANIES BILL

FIRST READING

Bill 89, an Act to amend the Trust Companies Act.—Hon. Mr. Willoughby.

ROOT VEGETABLES BILL

FIRST READING

Bill 87, an Act to amend the Root Vegetables Act.—Hon. Mr. Willoughby.

LOAN BILL

FIRST READING

Bill 100, an Act to authorize the raising, by way of loan, of certain sums of money for the Public Service.—Hon. Mr. Willoughby.

ROYAL CANADIAN MINT BILL

FIRST READING

Bill 101, an Act respecting the establishment of the Royal Canadian Mint.—Hon. Mr. Willoughby.

HALIFAX HARBOUR LOAN BILL

FIRST READING

Bill 103, an Act to provide for a further loan to the Halifax Harbour Commissioners. —Hon. Mr. Willoughby.

NEW WESTMINSTER HARBOUR LOAN BILL

FIRST READING

Bill 104, an Act to provide for a loan to the New Westminster Harbour Commissioners. —Hon. Mr. Willoughby.

PRIVATE BILL

FIRST READING

Bill 77, an Act respecting the construction and maintenance of a bridge over the St. Lawrence river between the Island of Orléans and the coast of Beaupré, in the Province of Quebec.—Hon. Mr. Chapais.

MOTION FOR SECOND READING

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

Hon. Mr. WILLOUGHBY: What is the Bill about?

Hon. Mr. McMEANS: Explain.

Hon. Mr. CASGRAIN: It is to authorize the Provincial Government of Quebec to build a bridge.

Hon. Mr. WILLOUGHBY: We know nothing about it.

Hon. Mr. LEMIEUX: It was introduced in the other Chamber by the honourable member for Quebec-Montmorency. Both parties agreed to it.

Hon. Mr. WILLOUGHBY: It might be given second reading to-morrow.

Hon. Mr. LEMIEUX: Yes. I withdraw my previous motion and move that the Bill be placed on the Order Paper for second reading to-morrow.

The motion was agreed to.

ERRONEOUS PRESS REPORT

QUESTION OF PRIVILEGE

Before the Orders of the Day:

Hon. C. MacARTHUR: Honourable members, as a matter of privilege, before the Orders of the Day are called I should like to speak briefly of a newspaper report of an incident that occurred in this Chamber on

June 18. True, the incident occurred behind closed doors, and I should be out of order in discussing it now if it were not for the fact that it has already been given publicity. Unfortunately, it has been reported erroneously by the Canadian Press from the Atlantic to the Pacific. There are several features that might very well be considered. In the first place, is it advantageous to have questions of the kind discussed behind closed doors?

Hon. Mr. GRIESBACH: What is the question?

Hon. Mr. MacARTHUR: I am coming to it. I know the honourable gentleman is anxious to proceed with his Bill. The public, I think, feel that there is some sinister motive for discussions behind closed doors; and matters are not helped at all when someone in this Chamber, whether an official or a member, discloses what has taken place.

Now I come to the subject-matter of the question of privilege, which is a Canadian Press dispatch dated Ottawa, June 18. It says:

For an hour this afternoon—

It was not an hour. There is nothing right about the dispatch.

For an hour this afternoon, the Senate sat behind closed doors. A proposal from Senator Dandurand, Liberal Leader, that the Senate when it adjourned to-day should stand adjourned until July 2 was discussed. Conservative senators opposed the proposal;—

There is in that statement a plain implication that the Liberal members voted for a long adjournment in preference to a shorter one which had been suggested.

—but on a division the motion to adjourn until July 2 carried. The Senate then opened its doors and proceeded with its regular business for the day.

Every honourable member knows that there is nothing right about that report. At the request of the leaders in this House an effort was made to ascertain the consensus of opinion of honourable members, but no party question was raised, and there was not a division or a recorded vote, as one would be led to believe there was, from a reading of the report. I was no sooner home after the adjournment than several persons asked me why one party voted in favour of an adjournment to July 2, and against the shorter adjournment proposed from the Conservative side of the House. We all remember what took place. The question was whether it would be better to remain here for a fortnight doing nothing, or to adjourn to July 2. There was a considerable majority in favour of the longer adjournment.

Hon. Mr. DANDURAND: And the longer adjournment was not my proposal.

Hon. Mr. MacARTHUR: There is nothing right about the report, and I think the honourable leader of the House—

Hon. Mr. DANDURAND: Do not say that.

Hon. Mr. MacARTHUR: —should give some explanation of the incident.

Hon. Mr. CASGRAIN: This discussion is all out of order.

CONDITIONS IN WESTERN CANADA

INQUIRY

Before the Orders of the Day:

Hon. Mr. LEMIEUX: Honourable members, I have noticed that in another place, and in the press generally, reference has been made to the trip to Western Canada taken by the Minister of Labour. I gather from what I can learn that conditions in the West are appalling. Is it the intention of the honourable Minister to make to this House a statement similar to the one that was made in the other House?

Hon. Mr. ROBERTSON: I have no objection whatever to making a statement to the Senate, if it is deemed desirable. I visited Western Canada for the purpose of ascertaining the facts respecting unemployment. It was reported that another crop failure, due to drought, had resulted in a rather serious condition in the Province of Saskatchewan. I visited each of the four Western Provinces and had consultations with members of the Governments of those provinces, and through their courtesy in inviting representations from the mayors of the various municipalities, more especially those having large populations, a great deal of useful information was gathered. A reasonably comprehensive and detailed report has been submitted to the Government here on my return. The Government has, I believe, as the Prime Minister announced yesterday in another place, already given some consideration to this matter, and it is probable that further announcements will be made respecting the Government's proposals for the relief of the situation which has resulted from the drought and the abnormal unemployment conditions. I respectfully suggest that it might be wise to postpone the discussion of this subject a few days until the Government's proposals are brought down. If the House is sufficiently interested

to desire some advance information in regard to the observations made and the conclusions reached, I have no objection whatever to making such a statement before Parliament prorogues.

DIVORCE BILLS

SECOND READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the second time:

Bill M1, an Act for the relief of Robert Ruff Martin.

Bill N1, an Act for the relief of Norah Kathleen Nevins Scott.

Bill O1, an Act for the relief of Albert Thompson Johnston.

Bill P1, an Act for the relief of Isabel Catherine Rohrer White.

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

THE SENATE

Friday, July 3, 1931.

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

Prayers and routine proceedings.

DIVORCE BILLS

THIRD READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the third time, and passed:

Bill M1, an Act for the relief of Robert Ruff Martin.

Bill N1, an Act for the relief of Norah Kathleen Nevins Scott.

Bill O1, an Act for the relief of Albert Thompson Johnston.

Bill P1, an Act for the relief of Isabel Catherine Rohrer White.

OTTAWA AGREEMENT BILL

MOTION FOR SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 80, an Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

An Hon. SENATOR: Carried!

Hon. Mr. McMEANS: I should like to have some explanation of the Bill on the second reading.

Hon. Mr. ROBERTSON.

Hon. Mr. DANDURAND: I was expecting as much.

Hon. Mr. WILLOUGHBY: The Bill is founded on an agreement providing for the supply by the City of Ottawa to the Dominion Government of certain water services, and for the payment by the Government to the City of $100,000 a year for a period of five years. That period has now expired. Previously the amount paid was $75,000 a year.

Hon. Mr. McMEANS: It is increased by $25,000?

Hon. Mr. WILLOUGHBY: The old agreement went into operation about 1921, and was renewed from time to time, and now it is to be renewed again. This Bill is to extend it for one year from the first day of July, 1930. There is nothing new about it.

Hon. Mr. McMEANS: I should like to find out from the leader of the House why the Bill provides for an increase of $25,000 a year.

Some Hon. SENATORS: No, no.

Hon. Mr. McMEANS: If I am not mistaken—

Hon. Mr. DANDURAND: There is no increase.

Right Hon. Mr. GRAHAM: The increase was made some years ago.

Hon. Mr. McMEANS: I understand. I took very serious objection some years ago to the huge sum of $30,000,000 being voted to improve the city of Ottawa.

Hon. Mr. DANDURAND: No; it was $3,000,000.

Hon. Mr. McMEANS: No; it was $3,000,000 a year. The honourable gentleman is entirely mistaken.

Hon. Mr. DANDURAND: It was an annual sum.

Hon. Mr. McMEANS: Yes, but if I am not mistaken the annual sum for the beautifying of the city of Ottawa, over a period of years, amounted to $30,000,000.

Hon. Mr. DANDURAND: My honourable friend is totally in error. I never brought to this House—

Hon. Mr. McMEANS: The honourable gentleman brought in the Bill himself.

Hon. Mr. DANDURAND: I never brought to this House any request for $30,000,000. I think the amount was $3,000,000.

Hon. Mr. McMEANS: Oh, no. I remember—if I am not clearly out of my mind—that at the time I objected to this huge sum, extending over many years.

Hon. Mr. TANNER: Take off a million.

Hon. Mr. McMEANS: Well, I will take off a million.

Hon. Mr. CASGRAIN: Perhaps I can enlighten the House. I was one of the original members of the Commission for the beautification of the city of Ottawa. I occupied that position for, I think, fifteen years. A great deal of work was done, and it was done very cheaply. At one time a member of this House, the Hon. William Gibson, a well-known contractor, was taken over the works, and after examining them he said they could not be done again for four times the money. Sir Henry Bate, a prominent business man of Ottawa, followed the matter very closely. Many improvements were made, including the beautiful road leading along the Ottawa river down towards Rideau Hall. Then there was a change of government, and I thought that after fifteen years of service I might resign and that the Borden Government would appoint somebody else. They did so, and at that time the appropriation was increased a little. The highest point it reached was, I think, $250,000 a year for ten years, which would be $2,500,000. So when the honourable gentleman (Hon. Mr. Dandurand) speaks of $3,000,000 he also is mistaken.

Hon. Mr. McMEANS: The honourable the leader is speaking of only one year. I remember that when the Russell House was torn down the city was to be beautified at an expenditure of $3,000,000 a year for ten years, or $30,000,000.

Hon. Mr. DANDURAND: My honourable friend said $30,000,000 a year.

Hon. Mr. McMEANS: I said a huge sum of money amounting to $30,000,000 had been voted; that is, $3,000,000 a year for ten years. I remember that at the time I brought in an amendment to the honourable gentleman's motion, to provide that these grants should not be made for a period of ten years, but should be renewed from year to year as the circumstances required. I think we need to restrict the expenditure of the country's money at present. In my opinion the amount spent upon the city of Ottawa is entirely too large, and I should like some further explanation of the need of granting the sum mentioned in the Bill. I would move the adjournment of the debate, so that the honourable gentleman (Hon. Mr. Willoughby) may furnish us with further information.

Hon. Mr. WILLOUGHBY: What further information is wanted?

Hon. Mr. McMEANS: We want to know.

Hon. R. DANDURAND: I confess that I do not agree with my honourable friend from Winnipeg. I believe that the responsibility has rested upon the Federal Government to do the right thing by the Capital of the Dominion, and I am convinced that the right thing has been done up to this time. I had intended to ask my honourable friend (Hon. Mr. Willoughby), either at this stage or when the Bill came up for third reading, to give us some idea of the program for the improvement of Ottawa in the years to come. I am quite proud of what has been done for Ottawa so far, and I only hope that the central part of the city will be further beautified. For example, if the City Hall is to be removed to another site, I should like to see the present site added to the park, and the fire hall and police station transferred elsewhere. And surely that eyesore, that red brick building nearby, will disappear. I am ready to vote in favour of a reasonable amount for the beautification of the Capital of Canada.

Hon. Mr. FORKE: What about the Presbyterian Church in that locality?

Right Hon. Mr. GRAHAM: It has been expropriated.

Hon. Mr. DANDURAND: I should like to see Ottawa gradually brought up to the standard of other capital cities of the world. I am not suggesting that we should plunge into large expenditures at this time, for I know of the financial difficulties with which we have to cope, but surely we are responsible for seeing that the work goes on. Since there will be a continuation of the vote of $100,000, or whatever sum is mentioned in the Bill, I should like my honourable friend who leads this House (Hon. Mr. Willoughby) to tell us something about what is projected for the future.

Hon. A. C. HARDY: I think the large sum mentioned by my honourable friend from Winnipeg (Hon. Mr. McMeans) was given to the Federal District Commission. It was not at all in the same category as the sum referred to in this Bill.

Hon. Mr. McMEANS: I am speaking about the $30,000,000.

Hon. Mr. HARDY: If I understand the matter correctly, the $100,000 which is being asked for here is to be given to the City of Ottawa in lieu of taxes, water rates and things of that kind. The other sum was for the improvement of Ottawa, if I am not mistaken.

Hon. G. D. ROBERTSON: Honourable senators, may I confirm what has just been stated by my honourable friend opposite (Hon. Mr. Hardy)? The object of this Bill is to extend for one year the agreement under which the Government of Canada has paid yearly a certain sum to the City of Ottawa because no charge was made to the Government for fire protection, water supply and various services of that kind. Up to 1925 the annual payment was $75,000, and in that year the amount was increased to $100,000, to be paid annually for five years. That period expired in 1930. This year the City urged that there should be a substantial increase in the grant, but finally it agreed to a continuation of the old rate for another year. That is all there is to this Bill.

Hon. J. H. KING: Honourable senators, I should like to confirm what the Hon. the Minister of Labour (Hon. Mr. Robertson) has said. I happened to be the Minister of Public Works in 1925, when the Corporation of the City of Ottawa asked for a larger grant from the Government. An agreement was entered into at that time providing for an increase from $75,000 to $100,000 annually for the period from 1925 to 1930. I take it that the object of the Bill is to permit the Government to pay for the year 1930-31, and that there is nothing more to the Bill.

Hon. Mr. WILLOUGHBY: I do not know that I can say anything useful to supplement what has been said by my honourable friend to my right (Hon. Mr. Robertson), but since the honourable gentleman from Winnipeg (Hon. Mr. McMeans) has demanded that I should give some further information on the Bill, I may be permitted to read a part of the statement by the Hon. the Minister of Public Works in another place. He said:

> This Bill, however, has no relation whatever to that subject.

That is, another matter between the City of Ottawa and the Government.

> It simply provides for the payment to the City of Ottawa of the sum of $100,000, covering payment for certain services rendered—the supply of water. The old agreement expired on the 1st of July last year, and unless this Bill is passed there will be no authority to pay the City for the year that expires on July 1, 1931. This is the same amount that has been paid for some years. The City think that they should receive a larger amount than this and have made some representations accordingly, but no agreement has been arrived at. The passing of this Bill will permit negotiations to continue covering the subject-matter of this Bill as well as other matters such as my hon. friend mentions.

Hon. Mr. McMEANS: I should like my honourable friend to tell us a little more about it. It seems to me that if the $100,000 is merely to pay for fire protection, water rates and so on, the amount is too large. Surely such services rendered to this building and other Government buildings in the city would not cost $100,000. If I am permitted to say so, I think that the huge grants mentioned by the honourable leader of the Opposition (Hon. Mr. Dandurand), amounting to $30,000,000, at the rate of $3,000,000 a year for ten years, should not be made when the people of the West are starving—when there is a famine in the land. I think a halt should be called on the expenditure of money for beautifying the city of Ottawa when people throughout the country are in want. That is why I have protested against this Bill.

Hon. A. B. GILLIS: I think we are overgenerous to the people of Ottawa, and I do not think they are sufficiently appreciative of our generosity. I hope the time will come when there will be a federal district, when the expenses in connection with fire protection and water supply will be met by the Government in the usual way, and I question very much that we shall have to pay more than $100,000.

Hon. Mr. McMEANS: Not for water.

Hon. Mr. GILLIS: Not for water. Certain elements of the population of this city do not appear to have very warm feelings towards the members of this House. They apparently do not appreciate the grants we vote. I do not think we should show too much generosity as far as the people of Ottawa are concerned.

Hon. C. E. TANNER: Honourable members, I am in favour of paying a reasonable price for water supply and fire protection. I do not know any more than my honourable friend from Winnipeg (Hon. Mr. McMeans) about this; and that means that I do not know anything at all. I am also in favour of expending a reasonable amount of money in the beautification of Ottawa as the Capital of the country. I think most of us are proud of Ottawa, including even my honourable friend from Winnipeg. Generally speaking, Ottawa is more beautifully located, and is a more beautifully kept city, than Washington.

Hon. Mr. McMEANS: Winnipeg?

Hon. Mr. TANNER: Well, we will give Winnipeg also a place on the map. Of course, we do not expect to complete this beautification or amplification of the city for some years; but, as the honourable leader on the other side has said, that work must be completed or the money that has been expended already will have been thrown away.

I have just one criticism that I think it is opportune to make. We spent over a million dollars in acquiring the property of the old hotel and theatre; then we spent considerable public money on laying out the square south of Sparks street and planting it with trees and flowers. I do not know whether honourable members of this House have observed the condition of that square. I walk through it frequently, and it is a fact that a certain number of the citizens of Ottawa have absolutely no respect whatever for its beautification. I do not know that another city on the North American continent could be found where a publicly laid out park would be so destroyed as that plot of land south of Sparks street. The Government laid it off in walks, but if you go and look at it now you will find short-cuts all through it. The edges of the walks have been tramped over until they are like a country highway, and not as good-looking. I do not blame the citizens generally, but I say there are a certain number of people in Ottawa who have no respect whatever for the Government's work, and consequently this square south of Sparks street, instead of being a thing of beauty, is a disgrace to the city. I say this publicly for the benefit of the people who desecrate it by cutting paths through here and there. This number includes officials of the country, whom I watched going through there one day, and who have cut a short road through the beautiful part of the park in order that they might get to their work. I say that such a condition is not encouraging to this Parliament; not encouraging to us who vote large sums of money for the beautification of this city. I think that when we do this the citizens ought to appreciate the expenditure and respect the work that is carried on.

The Hon. the SPEAKER: The question is on the motion for second reading. Is it your pleasure, honourable gentlemen, to adopt the motion?

Hon. Mr. McMEANS: I moved the adjournment of the debate.

Hon. Mr. DANDURAND: On the question of order: has the honourable gentleman not exercised his right to speak?

Hon. Mr. McMEANS: No. When I got up to speak I moved the adjournment of the debate. His Honour the Speaker probably did not put the motion, but my honourable friend (Hon. Mr. Dandurand) was out of order in speaking before the motion was put.

The Hon. the SPEAKER: Is it your pleasure, honourable members, that this debate be adjourned?

Some Hon. SENATORS: Carried.

Hon. Mr. DANDURAND: But no date has been fixed for the resumption of the debate.

Hon. Mr. McMEANS: Fix it for Tuesday or Wednesday.

Hon. Mr. WILLOUGHBY: With all possible respect to my honourable friend, I would say that this Bill has nothing whatever to do with the general agreement between the City of Ottawa and the people of this country.

Hon. Mr. McMEANS: I rise to a point of order. The motion has already been put, and the debate adjourned, but the date for resumption has not been fixed.

The Hon. the SPEAKER: I put the motion that the debate be adjourned. I confess I did not mention the date to which it should be adjourned. I will bring the motion again before the House in this way. It is moved that this debate be adjourned until Tuesday next.

Hon. Mr. WILLOUGHBY: Monday evening.

Hon. Mr. McMEANS: Monday. Anything to satisfy the honourable leader.

Hon. Mr. WILLOUGHBY: Monday is quite agreeable.

The Hon. the SPEAKER: Is it your pleasure, honourable members, to adopt the motion?

Some Hon. SENATORS: Carried.

Some Hon. SENATORS: No.

Hon. Mr. DANDURAND: I suppose, honourable gentlemen, that we should be advised or directed in this matter by the leader of the House. If he consents to adjournment until Monday, I suppose we should not object.

Hon. Mr. WILLOUGHBY: Yes, I consent to adjournment until Monday night.

The motion was agreed to, and the debate was adjourned.

PRIVATE BILL

SECOND READING

Hon. Mr. LEMIEUX, for Hon. Mr. Chapais, moved the second reading of Bill 77, an Act respecting the construction and maintenance of a bridge over the St. Lawrence river between the Island of Orléans and the coast of Beaupré, in the Province of Quebec.

Some Hon. SENATORS: Explain.

Hon. Mr. LEMIEUX: This Bill is promoted by the Quebec Government. The bridge has been a suspension bridge—if I may say so—for many years. It is part of the work to be undertaken this year for the purpose of helping to meet the unemployment situation in the Province of Quebec. The Prime Minister of that province represents the county of Montmorency, which is entitled to have that bridge constructed in order that the Island of Orléans, with its several parishes and its large population, may be connected with the mainland. The bridge will span the section of the river which is not navigable at all, or is hardly so, and all the plans for its construction are ready. What is better still, the two parties agree to the erection of this bridge. The Bill was promoted in the other Chamber by a friend of the Government who represents the constituency of Quebec-Montmorency. I think there is nothing more to say.

Hon. Mr. McMEANS: May I ask the honourable gentleman if it is a toll bridge?

Hon. Mr. LEMIEUX: I do not know whether it will be a toll bridge for all time to come, but for a certain number of years, until the cost of the bridge has been repaid, it will have to be a toll bridge.

Hon. Mr. McMEANS: Is it being constructed by a private company with the idea of collecting the toll?

Hon. Mr. LEMIEUX: It is to be constructed by the Provincial Government.

Hon. Mr. McMEANS: Is there any grant from the Dominion?

Hon. Mr. LEMIEUX: No, there is no grant from the Dominion; the grant is made exclusively by the Province of Quebec.

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

REFERRED TO COMMITTEE

Hon. Mr. LEMIEUX moved that the Bill be referred to the Committee on Railways, Telegraphs and Harbours.

Hon. Mr. WILLOUGHBY.

Hon. Mr. DANDURAND: Looking at the two clauses of the Bill, I do not see any necessity of sending it to committee; but if that procedure is insisted upon, there is nothing else to be done.

Right Hon. Mr. GRAHAM: Honourable members, I understand the circumstances very well and am prepared to vote for the third reading of the Bill now, yet I think it would perhaps be just as well to send it to the Railway Committee. Although this is a Bill of the Government of the Province of Quebec, it is a private Bill as far as this House is concerned. Our Railway Committee will meet at the beginning of the week and will then have something to do.

Some Hon. SENATORS: Hear, hear.

The motion was agreed to.

The Senate adjourned until Monday next at 8 p.m.

THE SENATE

Monday, July 6, 1931.

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

Prayers and routine proceedings.

VEHICULAR TRAFFIC ON WELLINGTON STREET

DISCUSSION

Before the Orders of the Day:

Hon. J. McCORMICK: Honourable senators, I should like to direct the attention of honourable members to the danger in crossing from Metcalfe street to the northern side of Wellington street. On two occasions in the last couple of weeks I have seen a near-accident there. Of course, the great majority of motorists pay attention to the signals, but some have a habit of making a left turn while other people are crossing the street on the green light. The motorists who are careless of the rights of others are comparatively few in number. Why should they not be obliged to wait until the light changes? Surely the people who have business in these buildings, and the public at large, have a right to be able to cross the street safely. Some years ago I met with an accident there. At that time there were virtually no regulations and a fool driver came along with no lights burning and without sounding his horn, and ran me down. I think we should insist upon an undertaking being given, through

the leader of the House, that this condition will be remedied, so that the people who have to come to these buildings may be afforded some protection in crossing the streets. As far as I am concerned, I cannot support any Bill for a grant of $100,000 or any other amount for the City of Ottawa unless the authorities here take some steps towards providing such protection.

Hon. R. DANDURAND: I should like to support the statement of my honourable friend regarding the risk that pedestrians run, not only on the streets of Ottawa, but in cities generally. Some years ago I was favourably impressed with the regulations in the city of Milan, where the law was that citizens on foot had the first right to the use of the streets, the second right belonged to the horse, which according to tradition had followed man in using the highways, and the motor car had the third right. At present automobiles travel on our streets at speeds from 15 to 20 and 25 miles an hour, in the very heart of our cities. I cannot admit that it is necessary to travel at such rates. A horse driven in the country at 12 miles an hour would be considered to be going very fast, and if anyone attempted to drive a horse along Wellington street at that rate he would be put into an asylum. Yet motor cars travel at 25 miles an hour an our streets as a matter of course. I sometimes question whether the time will not come when we shall put a limit of 15 miles an hour on traffic within the city limits.

Hon. Mr. McCORMICK: If the honourable leader of the House (Hon. Mr. Willoughby) will support that, we shall have no difficulty in remedying the situation.

Hon. W. B. WILLOUGHBY: So far as Wellington street is concerned—that is, the only street contiguous to the Parliament Buildings—I understand that it is under the control of the Government and not of the City of Ottawa. If this is so, we are the people who should take steps to improve the situation. I have no personal knowledge in this matter, and I shall have to look it up. We all realize that it is absolutely essential that members of Parliament and others who have business in the Buildings should be protected against reckless motorists, for whom I have no sympathy. If we ascertain that Parliament has control of the traffic on Wellington street opposite these Buildings, then the matter is in our own hands.

Hon. RODOLPHE LEMIEUX: The Court of Appeal in Montreal the other day rendered a very important judgment, which stated that the pedestrian had the right of way at all times. An automobile driver in a certain case claimed that he had sounded his horn before the accident occurred, but the Court held that that was no excuse for causing the accident, because the pedestrian crossing the street had the first right.

POST OFFICE BILL

FIRST READING

Bill 107, an Act to amend the Post Office Act.—Hon. Mr. Willoughby.

INTERPRETATION BILL

FIRST READING

Bill 105, an Act to amend the Interpretation Act.—Hon. Mr. Willoughby.

COMPANIES BILL

FIRST READING

Bill 108, an Act to amend the Companies Act.—Hon. Mr. Willoughby.

NATURALIZATION BILL

FIRST READING

Bill 3, an Act to amend the Naturalization Act.—Hon. Mr. Willoughby.

RELATIONS OF SENATOR WITH DOMINION GOVERNMENT

QUESTION OF PRIVILEGE—NOTICE OF MOTION

Before the Orders of the Day:

Hon. R. DANDURAND: Honourable members of the Senate, I rise to a question of privilege. I intend to refer to the statement made to the Senate by the honourable the senior member for Ottawa (Hon. Mr. Belcourt) on the 16th of June last. When he had made that statement the honourable member from North York (Hon. Sir Allen Aylesworth) suggested a suspension of proceedings because the matter was before the courts. Some of the members of this Chamber, among them the honourable senator from De Salaberry (Hon. Mr. Béique), my honourable friend who leads the Government (Hon. Mr. Willoughby), and myself, concurred in that proposal. The next day the honourable member for Bedford (Hon. Mr. Pope), on a question of privilege, gave us his views on the statement and ended with a notice of motion, which is down for disposal on Wednesday next.

To my surprise, last Friday, the newspapers brought me the information that a caucus had been held and a decision arrived at by a large group of members, half of the Senate, surrounding my honourable friend the leader of the Government. It struck me that it would have been more natural and

advisable to have a question affecting the honour and dignity of the Senate discussed in the Senate itself, behind closed doors, rather than behind closed doors at a party caucus. I believe that that meeting of a large number of senators did not have before it all the information to which the members were entitled; I mean, entitled to receive through a discussion in this Chamber. I feel the necessity of making a statement now, so that members on both sides of the House may have time to weigh the various aspects of this question by Wednesday next. If I delayed until Wednesday to make this statement, I should run the risk of speaking then to members of this Chamber who had already been pledged to joint action. This is an important matter affecting the honour and dignity of the Senate, and it is still more important to a colleague whose high standing in the community and unblemished reputation may be affected thereby. The statement I make to-day will appear in Hansard and members of the Senate will thus have forty-eight hours in which to weigh it and pass judgment upon it, and will have before them more facts and aspects of the matter than they have had hitherto.

This matter, honourable members, can be approached from two angles: first, in regard to the interpretation and application of the Independence of Parliament Act, and secondly, in regard to the relations of members of Parliament with the Government and the departments.

As to the interpretation of the Act, I need not state, what is a truism, that Parliament makes laws, but judicial tribunals interpret them. The courts being seized of the facts of the case, that is another most important and essential reason why Parliament should not intervene. As I said a few moments ago, when this question was first raised the leaders in the Senate seemed to agree with the suggestion of the honourable senator from North York (Hon. Sir Allen Aylesworth), a gentleman who was for a number of years Minister of Justice and was in his day one of the leading lights of Ontario.

Moreover, the good faith and sincerity of our colleague (Hon. Mr. Belcourt) cannot be impugned. The Act reads:

> No person, who is a member of the Senate, shall directly or indirectly, knowingly and wilfully be a party to or be concerned in any contract under which the public money of Canada is to be paid.

The statement of the honourable the senior member for Ottawa and his action in this matter established his perfect good faith. He gave us the opinion of Mr. Laurendeau, an ex-judge of the Superior Court of Montreal. He has sent me an opinion that he received later from Mr. Aimé Geoffrion, one of the shining lights at the Bar of the Province of Quebec—perhaps I might say of Canada. I will place it on Hansard. It is dated June 16, 1931, and was written before Mr. Geoffrion left for Europe:

> My dear Senator,
>
> It appears from a judgment rendered by Mr. Justice McEvoy that in 1927 you entered into an agreement with a certain Newspaper Company, under the terms of which you or your firm were to receive $5,000 for your services if you were successful in obtaining from the Government of Canada a certain contract for the Company.
>
> You did not obtain the contemplated contract, which was for 3,000 subscriptions during three years, but 2,200 subscriptions were obtained for a year. The judgment holds that this was under a subsequent understanding accepted as sufficient performance to entitle you to the full $5,000.
>
> Apart from the issue of fact which was directly raised by the defendant, the question of the possible nullity of that contract as being against public policy was suggested to the Court by the attorney for the defence, although the point was not directly raised by the defendant himself. The Judge therefore considered it, and, of necessity, decided in favour of the validity of the contract, since the action was maintained, and, under a well settled rule of the law, if the fact of the contract being against public policy had been apparent on the record, the action should have been dismissed whether the point was raised or not.
>
> The statute relied on in support of the view that this contract is illegal is section 21, clauses 1 and 2, of the Independence of Parliament Act:
>
> Section 21, Clause 1.—"No person, who is a member of the Senate, shall directly or indirectly, knowingly and wilfully be a party to or be concerned in any contract under which the public money of Canada is to be paid."
>
> Section 21, Clause 2.—"If any person, who is a member of the Senate, knowingly and wilfully becomes a party to or concerned in any such contract, he shall forfeit the sum of $200 for each and every day during which he continues to be such party or so concerned."
>
> There is no doubt that you were not a party to the contract in question. The whole question therefore is, Were you concerned in it?
>
> To define your position accurately, it may be said that you were concerned in obtaining the contract for your client inasmuch as you were to be paid if you obtained it, but being concerned in obtaining a contract for somebody else is not, in my opinion, being concerned in the contract within the sense of the Statute. Otherwise, the proviso that the person shall forfeit $200 per day during the period that he is so concerned in the contract would be meaningless. The instant the contract came into force you ceased to have any interest in anything connected with it. Your work was done and you were an ordinary creditor of the contracting party for your fee.
>
> It cannot be said, therefore, that you were concerned in the contract for a single day.
>
> Yours very truly,
>
> A. Geoffrion.

Hon. Mr. GILLIS: Honourable members, this, to my mind, is straining a matter of privilege to the very extreme. Here we have a case that is to be discussed in a day or two, and the honourable gentleman deals with it in a long speech in which there is nothing particularly new. I think this is stretching the rule to the very limit.

Hon. Mr. DANDURAND: My honourable friend will remember that on the question of privilege the honourable senator from Bedford (Hon. Mr. Pope) made a statement and then gave a notice of motion. I am doing likewise, and for this reason: the question has a legal aspect, and instead of waiting until Wednesday next to make a statement which to honourable senators who are not members of the Bar may seem somewhat involved, I desire to give them time to examine the argument. What I might say on Wednesday next I say now in order that honourable senators may be fully informed. I do not call a caucus of my friends who sit around me; I address them now, as I address my honourable friends opposite. If honourable members were to take joint action on Wednesday, I should feel that they might not have had an open mind and that even if they considered there were strong arguments against the decision reached at the caucus it might have been somewhat difficult for them to go back on that decision. With this in mind I would point out that the question involves the honour and dignity of the Senate, and also the honour and dignity of a member of this Chamber. Everybody will appreciate that reputation is one of the most precious possessions in life.

Hon. Mr. McMEANS: If I may interrupt the honourable gentleman, I would say that I cannot understand the basis of his argument. If the motion of the honourable member for Bedford (Hon. Mr. Pope) carries, the honourable the senior member from Ottawa will surely be as safe in the hands of the committee as in the hands of this House.

Hon. Mr. DANDURAND: Well, I desire in this statement to lay the facts before the Senate. Some information has been asked for by the honourable gentleman from Nipissing (Hon. Mr. Gordon) and I intend to give it to him. It seems to me advantageous to the Senate that this statement should go on Hansard to-day, so that it may be examined at leisure between now and Wednesday.

The judgment that was rendered fully supports the view of Mr. Laurendeau, who is a retired judge, and of Mr. Geoffrion. Some honourable members of this House doubted that the Independence of Parliament Act had been pleaded. The point was raised by Mr. Biggar, who sought to perform what he believed to be a duty to His Lordship. Mr. Biggar argued on behalf of the London Company, the defendant in the case, that the plaintiffs were not entitled to judgment for the amount offered by the company, because the plaintiffs had failed to obtain the particular agreement which the company had applied for; that is to say, because the agreement which the Department was willing to make, and which the company eventually accepted, was for 2,200 instead of 3,000 copies of the magazine Canada, and for one year instead of three years. Then Mr. Biggar called the attention of the court to the Independence of Parliament Act and cited section 21, which I have already read. I cite a portion of the argument:

His Lordship: In order, Mr. Biggar, that you may discuss the matter as a legal proposition, I think that what happened was, the gentlemen in the Old Country, this paper company, desired to get a contract from the Government to spend in the way of advertising a block of money with the newspaper company. In keeping with this proposition it must be conceded that they made the Senator an offer of $5,000 if he would get them that contract, and that he agreed and made a contract with them. When he did agree the contract was made that for $5,000 he was to get them 3,000 subscriptions, and for the moment I think that was a firm contract, and that was all there was about it at the time being. Now if you have any further authority to give me that the Senator's contract with the newspaper people to try to get that contract is an illegal contract, and one upon which he cannot recover, I will hear you.

Mr. Biggar: Your Lordship understands, my clients in this action take the view that the contract they made with Senator Belcourt was not at all a contract that was in any way contrary to public policy. They regard their own motives in making the contract with Senator Belcourt as of the highest possible character, and they have no criticism whatever of Senator Belcourt in accepting that contract.

His Lordship: That to me, Mr. Biggar, just means, "We made a contract with the Senator. We say that we do not want to take advantage of the fact that that is an illegal contract, but in the same breath we point out to the court that it is an illegal contract, and the court cannot enforce it."

Mr. Biggar: I am sorry if I have not made myself clear. I said before I introduced this subject at all that I had made all the submissions I had to make on behalf of my client, but after considering the matter and having regard to the knowledge I had of the existence of these cases and this Statute, I thought it would be a failure on my part to perform my duty to your Lordship if I failed to mention their existence. I did not argue—I am making no submission on either the cases or the Statute.

His Lordship: That is your way of stating it, and in effect I do not think it is any different to the way I stated it to you. So we will leave it there.

Mr. Biggar: Very good. Your Lordship understands I am making no submission.

His Lordship: Your statement is, "My clients thought they were entering into a legal contract when they made it, and they acted in that way, and they have always had that view, but now that there is a law-suit on, we are not asking the court to enforce that law against the Senator, but we are pointing out to you that it is the law, and if you think it is your duty to enforce it, you will have to enforce it.

Mr. Biggar: If your Lordship insists on confusing me with my clients—I thought I had a duty to your Lordship. If your Lordship does not think I had a duty, I regret very much that I raised the point at all.

His Lordship: I am desirous of saying, Mr. Biggar, having that duty, and feeling yourself compelled to exonerate yourself in that regard, that you have done it very nicely, and very kindly, and with very nice regard to everybody concerned.

Mr. Biggar: It was only for that reason I did it.

His Lordship: When it comes to me I have got to face it. I cannot deal with it in a sort of gentle way at all. If it is the law I have to enforce.

Mr. Biggar: I thought it would be improper for me to allow your Lordship to dispose of the case without knowing of the existence of that.

His Lordship: I think you are quite right, and I think you have brought it to my attention in as professional and generous a way to all concerned as you could possibly have done.

Then Mr. Fripp, who acted for the firm of Belcourt & Company, intervened as follows:

Mr. Fripp: If I find authorities may I submit them to your Lordship within a day or two?

His Lordship: No, you need not.

Mr. Fripp: It has taken me a little by surprise.

His Lordship: It has not taken me by surprise. I had it in mind.

Later on His Lordship rendered judgment, towards the end of which he stated:

None of the statutory defences raised work a defence for the defendants.

And he grants judgment in favour of the plaintiffs.

Hon. SMEATON WHITE: From what the honourable gentleman has read of the evidence it would appear that the contract was made with Senator Belcourt.

Hon. Mr. DANDURAND: The discussion went on between Senator Belcourt and his clients.

Hon. SMEATON WHITE: What the honourable gentleman has read referred, not to the firm, but to the contract made with Senator Belcourt.

Hon. Mr. DANDURAND: That is a fine point. The firm has sued and has secured judgment.

Hon. Mr. TANNER: Will the honourable leader tell us who signed the contract?

Hon. Mr. DANDURAND: There were letters—

Hon. Mr. TANNER: Did Senator Belcourt sign the contract for his principals?

Hon. Mr. DANDURAND: No. There were letters signed by the Canada newspaper, in London, and I think that the letters, which constitute the contract, offering a fee of $5,000, were addressed to Senator Belcourt. If I am mistaken in that, I shall correct it on Wednesday when the matter comes up again.

Hon. Mr. TANNER: I am interested only because of the suggestion of my honourable friend here (Hon. Smeaton White). I am wondering whether Senator Belcourt appears to be the principal in the contract. It would seem so, from what my honourable friend has read.

Hon. Mr. DANDURAND: Well, he carried on all the negotiations.

Hon. Mr. TANNER: Are we to understand that he concluded the contract with the Government—that he signed some document?

Hon. Mr. DANDURAND: Oh, no, I do not believe there was any such thing.

Hon. Mr. TANNER: I think we ought to have the contract, or the correspondence.

Hon. Mr. GILLIS: As my honourable friend has given us such an elaborate explanation, would it not be well to have all the correspondence on Hansard? Then we should have perhaps a better grasp of the subject.

Hon. Mr. DANDURAND: I have all the letters, and they will be put on Hansard. On the 8th of April, 1927, the plaintiff wrote to Senator Belcourt:

The fee we could offer for the successful completion of the negotiations would be five thousand ($5,000), which we will pay within one month of our receipt of the official authorization.

Hon. Mr. GILLIS: To whom was that?

Hon. Mr. DANDURAND: That was addressed to Senator Belcourt. Then on the 4th of July, 1927:

As previously mentioned to you in my letter of April 8th, the fee agreed on—$5,000—will be paid to you as promised by that letter within one month from the receipt by me of the official contracts from Government departments for three years.

Of course I look to you to get the official contracts from the several departments making up the minimum of 3,000 copies per annum, which number includes the 1,700 already promised to me.

Those were letters addressed from London to Mr. Belcourt, but they were addressed to him, I suppose, as head of the firm. However, he sued not only in the name of the firm, but in his own name as well.

I stated the other day that if the judge had found a violation of the Act he would have non-suited the plaintiff. This view is endorsed by Mr. Geoffrion. Five or six years ago the Supreme Court of Canada took the same ground in the case of a member of Parliament who had sued for fees and for a commission. He was non-suited before the courts of his province. He entered an appeal in that province, and the news came to us by wire of such an action being taken. The newspapers were giving us details, and I felt, as leader of the Government, that it was my duty to inquire into the matter. I did so, and on conferring with Sir James Lougheed over the situation, I concluded that as the plaintiff, having lost his case, had filed an appeal, we had better await the outcome. The trial judge had decided against the plaintiff on both counts. The court of appeal allowed that member of Parliament his fees as solicitor, but rejected his claim for what he had himself called a commission in a certain matter, which I do not exactly recall. In rejecting his claim for commission the court of appeal said that he had acted against public policy, having infringed the Independence of Parliament Act. Then there was an appeal to the Supreme Court of Canada, which confirmed the decision of the court of appeal in Nova Scotia. I mention these facts in order to explain why I took no action in that matter. We were waiting until there should be a final judgment. I did not believe, nor did Sir James Lougheed, that it was the proper thing to interfere in the matter until the courts had disposed of it. My honourable friends may think me remiss in my duty, but when the question was finally settled by the Supreme Court, as the member of Parliament had been ailing, and was indeed quite an invalid, I decided, under the circumstances, not to raise the point in the Senate. I thought that we should not interfere pending the decision of the appeal because I did not believe that we should sit in judgment on a case that was before the courts. I believe that no reproach can be levelled at me on that ground. When it came to the decision by which the plaintiff lost his case, I might have raised the point in the Senate, but my honourable friends, who all know to whom I refer, will understand why I did not.

I have discussed the question of the interpretation of the Independence of Parliament Act, and now I come to the second point, as to the ethics governing our relations with the Government and the departments. I must say that outside of the Independence of Parliament Act we have no guiding rule. We have Rule 53, which concerns the action of a senator in the Senate or in committee, as follows:

> No senator is entitled to vote upon any question in which he has any pecuniary interest whatsoever, not held in common with the rest of the Canadian subjects of the Crown; and the vote of any senator so interested will be disallowed.

Outside of the Independence of Parliament Act and of this rule, which applies when we are acting as members of the Senate, there is no guiding rule as to our action. Then, if there is no guiding rule, by what principle shall we, as members of Parliament, be guided in our dealing with the Government and the departments as barristers, solicitors or engineers?

I would point out to my honourable friends that this question is not a simple one. At present there are 80 or 90 members of Parliament who are members of the Bar. Quite a number of them had a large legal practice before their election as members of Parliament or their appointment to this Chamber. They had a large number of clients, many of whom had dealings with the Government and the departments. In the general administration of the affairs of the country the various departments have important questions of law and of fact to discuss with various persons, and these questions call for expert advice. There are applications for grants of land, or for mining and other leases; petitions for patents of invention, trademarks or copyright; contracts with different departments, and differences over their interpretation; claims against departments such as that of Public Works; references by most departments to the Department of Justice for advice, where counsel for both sides appear. Now, must those members of Parliament, from all over Canada, from the Atlantic to the Pacific, acting at the head of large legal firms, discontinue serving their clients who have had or may have relations with the various departments of the Government? Must their partners also discontinue that practice?

I would call the attention of the Senate to the fact that barristers in Ottawa are in a class by themselves. Not only do they appear before the courts of Ontario, and the Exchequer Court and the Supreme Court, but they style themselves, and are, departmental agents. The whole Bar of Canada is their client, because barristers from far and near appoint barristers in Ottawa to attend to matters that call for direct contact with the

departments; and I may say that these contacts with the departments in Ottawa constitute their regular vocation. Matters come to them from afar. The present case came from London. It was an important matter for the Canada newspaper (which I have read for the last twenty-five years). Not only was there involved the amount of money to be received from the Government, but the publicity was valuable to that newspaper, which was to be distributed among all the public offices, hotels and libraries. I presume that such a contract would certainly represent to that paper a value of $100,000. The amount they offered was such as would be considered in London an ordinary fee; and it was not a commission, as is shown by the extracts which I have read from the letters.

The matters which the public, through their attorneys, take up with the several departments of the Government are of the most varied character. Now, since we have no rule, is it advisable that we should try to devise one? If so, where shall the line be drawn in relation to the various activities of those barristers who are members of Parliament and whose firms have had and continue to have dealings in a number of cases with the departments?

Hon. Mr. GILLIS: May I ask the honourable gentleman a question? Is there a single case where money was paid directly by any department of the Government to any of those solicitors who acted for their clients?

Hon. Mr. DANDURAND: Well, I know that members of Parliament are precluded from acting for the Government in the various activities of the departments. Now, if we lay down a rule, shall we declare that they shall likewise be precluded from giving advice or rendering service to clients who have business with those departments, and therefore precluded from receiving fees from their clients? If a principle is laid down by us, of course it must affect all barristers equally. I am agreeable to a committee being formed for the purpose of exploring the whole field, and I give notice of the following resolution, which will be perhaps an amendment to the motion of my honourable friend (Hon. Mr. Pope), and which will explain itself:

That a special committee of members of the Senate be appointed to enquire into and report upon the advisability of a rule being adopted by the Senate defining the nature and extent of the relations which a member of this House, whether a member of the Bar or not, may have with the Dominion Government or any of its departments, and if deemed advisable to prepare such a rule.

I must thank my honourable friends the members of this Chamber for allowing me to place on Hansard what I believe to be a statement that will be somewhat enlightening to some of the members of this Chamber, so that on Wednesday we may be in a better position to grapple with this question.

Hon. Mr. POPE: I may be allowed to say this, that in moving for a committee I had the idea that the inquiry or investigation—whatever you may call it—would be behind closed doors, rather than that it should publicly reflect on the honourable gentleman who is concerned in this matter. Now you have advertised the whole thing, the show is wide open, and everybody in Ottawa and throughout the length and breadth of Canada will know what you have said, and why you have said it.

Hon. Mr. DANDURAND: But—

Hon. Mr. POPE: Now, excuse me a minute. I kept perfectly still while you were talking. When the judges are ready to render their verdict, let them render it; but they are not the only judges of the virtue and honour of the Senate of Canada. There is also the Senate itself. We do not care whether a judgment comes from the court of appeal, or from the superior court, or where it comes from. The question is one for us to decide here. It can be decided privately if you will, and it must be decided for the future, as we cannot influence the past. The proceedings would be taken in respect to the honour of this House. That is the reason I moved my motion.

Hon. Mr. DANDURAND: I will answer my honourable friend's remark. He has moved for a committee to which shall be referred the statement of the honourable the senior member for Ottawa (Hon. Mr. Belcourt).

Hon. Mr. POPE: Yes.

Hon. Mr. DANDURAND: My objection to that form of inquiry is that we should thereby sit in appeal on a judgment which was rendered by a Supreme Court judge, and which is in appeal before the Supreme Court of Ontario. That is the reason why I say, as to the interpretation of the present Act of Parliament, that it is the duty of the judicial authorities to give that interpretation. The purpose of my motion is to have an investigation of the whole situation respecting members of Parliament who at the same time are barristers, or engineers, or have some other vocation in which they have relations with the Government and the departments. Such

an investigation would not preclude our having the opinion of senators who are members of the Bar, as to their activities in these matters. I may say, on behalf of the senior member for Ottawa (Hon. Mr. Belcourt), that he has laid before the courts all the facts of the case in perfect good faith, and whenever his advice is asked as to the advisability of such a rule as I have proposed, he will be, like any one of us, at the disposal of the Senate. But by the motion of my honourable friend—and of course he and I may not agree on this point—

Hon. Mr. POPE: No.

Hon. Mr. DANDURAND: But it is not the first time that we have not agreed.

Hon. Mr. POPE: No; you may bet your life.

Hon. Mr. DANDURAND: I remember that once I defended his leaders on the floor of the House, hand in hand with Sir James Lougheed, and my honourable friend had not the success he expected. So I have met him before. However, on the present occasion, I believe the majority in the Senate will not say that when there is before the courts of Canada a question involving the interpretation of an Act of Parliament, this Chamber should intervene and sit in appeal from that judgment.

Hon. Mr. POPE: That is exactly where we disagree. I say there is no court in Canada that can tell us what we shall deal with, and what shall be the limit of our power. I do not care what the court of appeal is. The present case involves a matter of business—a common lawsuit in which one man is suing another to get money. That is one question; but that is not the question of the honour of the Senate of Canada, and there is no court in Canada that can decree what the code of honour of the Senate shall be. Whether my honourable friend agrees with me, whether this honourable House agrees with me, or whether in the past—to which my honourable friend refers—it has agreed with me, has nothing to do with my viewpoint as to the honour of this honourable body.

Hon. PASCAL POIRIER: Honourable senators, I rise to a point of order. The House having heard the statement of the honourable leader on the other side (Hon. Mr. Dandurand), I believe that further discussion on the question should be postponed until Wednesday, when the matter will come up in its proper order. I think we have been proceeding irregularly, because there is nothing before the House. We have received as much enlightenment as we can get at this time.

The Hon. the SPEAKER: This discussion was permitted by the consent of the Senate.

Hon. Mr. TANNER: I should like to ask a question of my honourable friend the leader on the other side (Hon. Mr. Dandurand). As I understand, the case is under appeal.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. TANNER: Before what appeal court?

Hon. Mr. DANDURAND: Well, I cannot state exactly what court of appeal it is. I could readily answer the question if the case were in Quebec. There are two divisions of the Appellate Court in Ontario, and the case is in one of the divisions.

Hon. Mr. TANNER: Has my honourable friend any idea how long the case is likely to be pending?

Hon. Mr. HARDY: Six or eight months anyway.

Hon. Mr. TANNER: Pardon?

Hon. Mr. HARDY: Until the autumn, at any rate.

Hon. Mr. TANNER: Then I would point out to my honourable friend (Hon. Mr. Dandurand) that it will be a great injustice to the honourable the senior senator from Ottawa (Hon. Mr. Belcourt) to delay this matter. He remains under a cloud; he is excluded from this House.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. TANNER: That is the practice.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. TANNER: There is a little information which I feel honourable members on this side should have, because I think the honourable leader on the other side (Hon. Mr. Dandurand) lightly criticized those members over here who, he said, met together to discuss this situation. My honourable friend will remember that he was in the room of the honourable leader on this side (Hon. Mr. Willoughby) one day when I happened to go in there. My honourable friend had his amendment in his hand and was speaking about it to the leader of the House. I asked my honourable friend if he would give a copy of that amendment to members on this side—and I had in mind particularly the senator from Bedford (Hon.

Mr. Pope)—in order that it might be considered and possibly the whole matter adjusted. But, as my honourable friend will remember, he refused to give us a copy of his amendment. We were not able to get it until to-night.

Hon. Mr. DANDURAND: I read the amendment to my honourable friend and to the leader of the Government in this House (Hon. Mr. Willoughby).

Hon. Mr. TANNER: When I told my honourable friends on this side that the honourable leader on the other side (Hon. Mr. Dandurand) had an amendment which he intended to make, but of which he refused to give a copy, they concluded that they had better get together and consider the situation. Now, if we had been given a copy of the amendment, the proposal of the honourable leader opposite might have been agreed to and he might not have found it necessary to make the speech which he has made here to-night.

Hon. Mr. DANDURAND: I want to point out to my honourable friend that if he had invited me to that caucus I would readily have gone.

Hon. Mr. TANNER: That may be. But we did not get a copy of the amendment.

Right Hon. Mr. GRAHAM: He would not have sent a copy; he would have gone himself.

PRIVATE BILL

MOTION FOR SECOND READING—BILL REJECTED

Hon. W. A. GRIESBACH moved the second reading of Bill K1, an Act to amend an Act to incorporate the Army and Navy Veterans in Canada.

He said: Honourable senators, on a previous occasion I asked honourable members to permit this Bill to be sent to the Committee on Miscellaneous Private Bills, before whom various parties could appear and give evidence. The stand was taken, however, that in accordance with the rules, the principle of the Bill should be discussed. I find it somewhat difficult to dicuss the principle of this Bill. I am confronted with a situation not entirely unknown in countries governed by parliaments. Acts of Parliament wear out, so to speak; cease to be applicable to existing conditions. One hundred and fifty years ago the laws against witchcraft were vigorously enforced in the New England States. A few days ago the police of Lachine, which is not very far from Ottawa, undertook to enforce a by-law with respect to the wearing of bathing suits, and as many bathers as could be rounded up were taken to the local police court. The by-law provided that bathing suits should reach four inches below the knee, should cover the arm below the elbow and should be modestly cut about the neck. There was some difficulty in connection with the prosecution and as a result the Mayor visited the local establishments where bathing suits were sold. He found that none of the suits on sale complied with the by-law. In other words, the law was made for a different day and generation. The law of thirty years ago with respect to bathing suits is not suitable to-day.

Hon. Mr. SHARPE: They are not made the same now.

Hon. Mr. GRIESBACH: The laws or the bathing suits?

Hon. Mr. SHARPE: The bathing suits.

Hon. Mr. GRIESBACH: Whether the bathing suits do not fit the law or the law does not fit the bathing suits, I am not prepared to argue. The point is that the law is no longer suitable.

History shows that legislation must be changed to keep pace with changing conditions. This point is important, because one of the objections that have been urged against this Bill here is that the Army and Navy Veterans have been conducting sweeps since 1923. It is said that the organization has been operating illegally in this respect. Technically that is so, but the fact that it has been permitted to operate since 1923 without any interference indicates that the public opinion of this country is not particularly hostile to sweeps when properly conducted. It would appear that the Army and Navy Veterans would have had no difficulty at all in continuing their operations but for the fact that other organizations undertook to run similar sweeps dishonestly and irregularly, and thus incurred the ire of the authorities. But, as I say, it would appear that the public opinion of Canada is not opposed to transactions of the kind referred to in this Bill, so long as they are carried on honestly by reliable men.

Hon. Mr. HARDY: May I ask the honourable senator a question? Who are the men who have been managing these sweepstakes; aside from their positions as officers of the Army and Navy Veterans? Are any salaries, profits or management expenses paid, and if so what do they amount to?

Hon. Mr. GRIESBACH: The management comprises a certain number of honorary officers. The President of the Army and

Navy Veterans in Canada is Colonel William Wood, of Quebec, who is one of the best known historians of that province in the English language. His writings are to be found in the most representative libraries of this country. Another gentleman who occupies an honorary position is Colonel O'Meara, one of the Harbour Commissioners of the City of Quebec.

Hon. Mr. CASGRAIN: President of the Harbour Board.

Hon. Mr. GRIESBACH: There are a number of other honorary officers, whose names I cannot recall at this moment. There is a large staff of employees, the most efficient persons who can be secured, and they are paid. The auditors and accountants are connected with firms of the highest repute, and the whole business of the association is conducted in a way beyond reproach.

I will deal now with some of the objections that have been made by an honourable gentleman who sits not very far from me and for whom I have a very high regard. The other day he delivered a homily on charity. He believes in direct charity, in granting a definite sum of money to any charity which he may support. He said that when a man buys a ticket in a sweepstake only 20 per cent of the money goes to charity. That is true, but enormous sums of money can be raised for charity in this fashion that would never be raised otherwise.

Another objection was that the Bill would legalize gambling. Well, that depends on what is considered to be gambling. There are various forms of gambling that are known to everyone, such as horse-racing, playing at cards, speculating in stocks and grain, and so on. I read some time ago that when the stock crash in New York came, a total value of one billion and a half of dollars simply disappeared in a few days. Much of that huge sum may have represented fictitious values, but at any rate they were values in which men were gambling. In horse-racing the law authorizes the use of betting machines, and a certain proportion of the receipts is disbursed in prizes, while another part goes in profits to the club. There is precisely the same idea in horse-racing as in these sweeps.

It is a matter of common knowledge that many men who gamble on horse-races, cards, wheat and stocks lose large sums of money, and a great number of them are ruined financially. To say that the purchase of a ticket in a well conducted sweepstake is gambling is to strain the word. There is not a single case on record, nor could there be, of any man who has lost a substantial sum of money on a sweepstake. The Army and Navy Veterans run only three of these affairs in a year, and as a rule no one buys more than a ticket or two at a time; consequently there cannot be such heavy losses as are incurred through betting on horse-races or speculating in stocks.

Public opinion in regard to sweepstakes is indicated in an editorial which appeared in the Mail and Empire on the 11th of May last. I shall read only the concluding words:

> It is quite as true, however, that the individual who risks a dollar or a few dollars on a sweepstake ticket, with a chance of an enormous return, is not exposing either himself or his dependents to the danger of financial ruin, as he often does when he speculates in mining stocks or industrials or in wheat on margin. While we are loath to encourage the universal human instinct of gambling, we wonder if the attitude of many people towards sweepstakes is not one of absolute hypocrisy. Many of those who to-day denounce horse-racing and sweepstakes are not above speculating in stocks and land when they think there is a "killing" in sight.

I am bound to say that that expresses my opinion and, I think, the opinion of many men. I feel that the law which was framed many years ago against sweepstakes and lotteries possibly does not meet present conditions, and it seems to me that we might well consider amendments which would make it legal to raise money for certain charitable purposes in the way suggested in this Bill.

I do not want to detain the House much longer, but I should like to bring to the attention of honourable members the methods by which the sweeps are conducted. Sixty-five per cent of the money is devoted to the prizes, which are graduated from comparatively large to small amounts. Fifteen per cent is spent on management. This percentage is justified, because it is necessary to have efficient men, who will be beyond reproach in their dealings with the public.

Hon. Mr. LEMIEUX: Will my honourable friend kindly repeat the percentage?

Hon. Mr. GRIESBACH: Fifteen per cent. That is justified because of the necessity to have the highest type of men and the best equipment for dealing with the public, in order that there may never be any ground for complaint of wrongdoing or impropriety of any sort. The business must have the complete and absolute confidence of the public. Therefore it is necessary to engage competent men, at large salaries, and the organization does so.

I shall give a brief review of the history of the Army and Navy Veterans in Canada. The organization has existed since about 1860, having been founded at Halifax by a body of veterans of the Crimean War. It has branches all over the country, and its membership, which is noted for its high calibre, is made up of ex-soldiers and sailors who have served in the Canadian and Imperial Army or Navy. It has financed itself through all the years without outside assistance. One of its policies is to ask for nothing; so it pays its own way and holds up its head. Each branch is engaged in charity, and assists ex-service men out of its resources and without outside help except free-will contributions that are made by its own people.

The unit at Quebec some years ago, finding itself confronted with a charitable need with which it was unable to cope, undertook to raise money by a system of sweepstakes. The first sweep was in 1923 and involved $800. The grants to charity have increased from year to year, and I shall read some of the amounts so as to give honourable members an idea of the donations that have been made as a result of these operations. The items immediately under review, which are, I think, up to the 16th of June, are as follows:

Canadian Legion, Dominion Command—

This is the distribution from the 20 per cent:

Canadian Legion, Dominion Command	$57,023 20
Red Cross Society	55,000 00

That is the Canadian Red Cross.

The Amputations Association, Canada	$25,000 00

That Association, I may say, consists of men who have lost any part of their arms or legs by amputation, or who have lost the sight of their eyes.

The Canadian Institute for the Blind	$41,654 28
The Great War Veterans of Newfoundland	73,481 92
General Charities, Newfoundland	11,000 00
Newfoundland Tidal Wave Disaster	2,000 00
Canadian Legion, Sydney, Nova Scotia	2,000 00
St. Vincent de Paul Society	5,000 00
League of Nations, Canada	5,000 00
Canadian Council, Child Welfare	1,000 00
Disabled Veterans of America	500 00

In addition to these amounts the local units received in commissions on tickets sold an amount which it is estimated would bring the total to date up to more than $1,000,000. These are direct grants to organizations outside of the Army and Navy Veterans—voluntary gifts to outside charities that are regarded as deserving by the gentlemen who have charge of the distribution.

Hon. Mr. FORKE: Just a question. Does the association operate outside of Canada? The honourable gentleman mentioned the Disabled Veterans of America.

Hon. Mr. GRIESBACH: Yes.

Hon. Mr. FORKE: Apparently funds are distributed all over the continent.

Hon. Mr. GRIESBACH: That happens to be one item. Certain representations were made to the management committee that the Disabled Veterans of America were in urgent need, and a grant was made to them.

Hon. Mr. FORKE: Tickets are sold only in Canada?

Hon. Mr. GRIESBACH: Oh, the tickets may be sold anywhere. To date over $1,000,000 has gone out for charitable purposes, including the sums I have mentioned, totalling $278,000, and the amounts raised by way of commissions on the sale of tickets by the local organizations.

I could read to the House a sheaf of testimonials and telegrams from all over Canada stating the benefits that various organizations have received and expressing gratitude for what is being done for them. Here is a telegram from an organization of forty branches of the Canadian Legion in Toronto:

> Officers of Toronto and District Command of the Canadian Legion on behalf of its forty component branches all situate in Toronto and vicinity request your sympathetic consideration and assistance in reporting favourably Bill to amend charter of Army and Navy Veterans. This Command as well as many other veteran organizations has been able to carry on much good work as a result of funds made available through Quebec unit Army and Navy Veterans sweepstakes. Condition of thousands of veterans in Toronto district deplorable and greatly increased funds must be available. Amendment of charter Army and Navy as requested will make these funds available.

From all over Canada come communications expressing the hope that this Bill will receive support, and that this method of finding money for charitable distribution will be continued.

I do not know that I can add anything further. The point that I desire to make is that it is quite possible that the time has arrived for a reconsideration of the law that affects this particular transaction. I suggest to honourable members that conditions have changed since the law was originally passed. It is no longer strictly applicable; it has become worn out with the passing of time,

and that fact alone, I believe, is sufficient to justify this House in accepting a motion to send this Bill to the Committee on Miscellaneous Private Bills, where it may receive more careful consideration, and where the many persons who desire to give evidence and offer arguments in support of it can be heard as they cannot be heard before this House.

Hon. Mr. WILLOUGHBY: That is not committing honourable members to the principle of the Bill.

Hon. Mr. GRIESBACH: No.

Hon. A. B. GILLIS: Honourable members, in his opening remarks the honourable gentleman from Edmonton (Hon. Mr. Griesbach) made the statement that this organization had been carrying on sweepstakes for a great many years, that it was never disturbed, and that it was accumulating money. If it was carrying on so successfully and was not disturbed, why should the Parliament of Canada be asked for this legislation? Why is it necessary to place on the Statute Book an Act that is nothing more nor less than one to legalize an open system of gambling?

Hon. Mr. GRIESBACH: I stated that the Army and Navy Veterans had been carrying on sweepstakes since 1923; I described the growth of the business; I drew attention to the fact that so long as this organization was in the field by itself, having established a reputation for honesty and efficiency, it enjoyed the confidence of the public and was not disturbed. I went on to say that certain other organizations and individuals, envying the success of this organization and hoping to reap some of the returns that the Army and Navy Veterans were getting, opened up various kinds of sweepstakes and gambling proposals, and that then the Attorney General of the Province of Quebec, in taking legal action against all these mushroom organizations, had been obliged to say to the Army and Navy Veterans: "We have to close you up as well as the others." In that way the Army and Navy Veterans had for the first time come into contact with the law.

Hon. Mr. GILLIS: If this Bill were passed, would it stop the activities of those mushroom organizations?

Hon. Mr. GRIESBACH: It would have precisely that effect. That is the purpose of the Bill—to confer on this organization the right, and to deny it to all those other organizations.

Hon. ROBERT FORKE: In his last remark the honourable gentleman has, to my mind, furnished the best argument imaginable against the Bill. Apparently a great many other organizations are eager to get into this game to make money, and we are asked to create a special privilege for one particular body of people in the Province of Quebec and to debar all others from it, even though they can prove their bona fides.

Hon. Mr. GRIESBACH: My honourable friend now offers the best possible reason for sending this Bill to committee.

Hon. Mr. FORKE: That is all right. But I would point out that a great many other organizations are eager to get into this business of conducting lotteries, or gambling. I do not give much weight to the argument that we have gambling in stocks and gambling on horse-races. Two wrongs do not make a right. If it is wrong to gamble on horse-racing and on stocks, you will make conditions worse by permitting gambling on sweepstakes.

I have on my desk a telegram—I have no doubt the honourable gentleman has received a similar one—in which it is stated that the passage of this Bill would enable the authorities to handle the unemployment situation through a lottery. Well, why should not we meet the unemployment situation through a lottery?

Hon. Mr. GRIESBACH: Would the honourable gentleman read the telegram? I should like to know precisely what it says.

Hon. Mr. FORKE: I presume it is public property, or I would not read it. It says:

> Your vote in favour of Army and Navy Bill to-morrow would greatly assist in fighting unemployment in Portage la Prairie and district.

Hon. Mr. GRIESBACH: It is not quite fair to say that it is going to solve unemployment.

Hon. Mr. FORKE: The Government is confronted with a big problem in raising money for unemployment and other purposes. If this is such a splendid method of raising money, why should the Government not go into the business?

Hon. Mr. GRIESBACH: The committee might consider that.

Hon. Mr. FORKE: Why not? But I would point out that in all the good work done by this association—and I am not finding fault with it—it has created no wealth of any kind. As a result of sweepstakes not one dollar's

worth has been produced. All the money that has been accumulated and distributed was already in existence.

Hon. Mr. GRIESBACH: May I put my honourable friend right there?

Hon. Mr. FORKE: I do not need to be put right. I shall manage very well.

Hon. Mr. GRIESBACH: The honourable gentleman does not want to be put right?

Hon. Mr. FORKE: I am going to make only a few remarks. I do not intend to make a speech, because I think this subject was pretty well discussed in this House on a previous occasion. I do want to point out, however, that the gathering or distribution of this money has not in any way equalized wealth. It is not the people with money who are buying lottery tickets as a rule, but the poorer classes. I do not say that some people who are well off, or in comfortable circumstances, do not buy them; but I think I am right in saying that the great majority of the tickets are bought by people in poor circumstances who hope that they may draw one of the lucky tickets and thereby become wealthy. In the gathering of a dollar a head from the poorer people nothing has been accomplished towards meeting any of the problems that need consideration. I do not deny that for a time money will be gathered and that the lottery will be successful; but the day will come when it will go the way of all things that are not right in principle.

The honourable gentleman says that times have changed. I am afraid that they have not changed for the better and that at the present time we are travelling in the wrong direction. The honourable gentleman referred humorously to the situation in regard to bathing suits at Lachine. It seems to me that the way to remedy that matter would be to change the law.

This association has been carrying on an illegal business, and has been gathering a large amount of money and distributing it—in a proper manner, perhaps; but does my honourable friend or any other honourable member honestly think that that kind of thing will continue, or that it will bring prosperity to this great Dominion? I for one do not believe it. I am quite willing to admit the sincerity of those who say that they see in this Bill a way out of some of our present difficulties, but I believe that its ultimate effect would be to weaken the morale of the people of the Dominion. Surely we are not bankrupt. If this organization were creating wealth it could claim some credit. Through a method that to me does not on the face of it seem fair—through a lottery—money is simply to be gathered together and distributed for charitable purposes. I believe the whole influence of such a measure would be bad and that many institutions of various kinds would want to raise money in the same way. If this privilege were granted in one case, how could it be refused in another? If I could see any end to it I should not be so afraid of it; but I cannot; and before long the Government might be going in for lotteries, and the whole country would be travelling in the wrong direction. In my opinion the passage of this Bill would be a retrograde step.

Hon. Mr. WILLOUGHBY: I have a suggestion to make. The honourable gentleman from Edmonton (Hon. Mr. Griesbach) has moved that the Bill be sent to the Committee on Miscellaneous Private Bills.

Right Hon. Mr. GRAHAM: It has not yet received the second reading.

Hon. Mr. WILLOUGHBY: I am not going to discuss the question. I am perfectly willing that the Bill should be allowed to go to the committee, with the clear understanding that in so referring it we are not committing ourselves to its principle.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. FORKE: I am agreeable to that.

Hon. Mr. DANDURAND: I cannot accede to the suggestion that we should give the Bill the second reading and send it to committee. Last week or the week before we voted on what is virtually the principle of this Bill. Those who voted against the Hospital Sweepstakes Bill did so with a certain pang of regret because of the great need of hospitals for money; nevertheless, they felt that it was their duty to vote against that Bill. Now we are asked to help the Army and Navy Veterans to gather money to be distributed, not only among their own people, but also to other institutions that seem to be deserving. Listening to the list of gifts that have been made by this association, it seemed to me as though a Province or a Government were voting the money for the various institutions.

Hon. Mr. GRIESBACH: Imperium in imperio.

Hon. Mr. DANDURAND: I am wondering whether we should not be belittling our various Governments if we were to approve of such a system for the collection of money by a private organization for distribution to various institutions that are deserving. Either those institutions are in need of money or

they are not. If they are in need of money it is for the public, for Parliament or the legislatures, to meet the need. If we agree that it is right in principle to levy money in this way, if we are decided to turn our backs on the judgment of the world in regard to such operations, let us organize to raise money by such a system for the federal exchequer, as suggested by my honourable friend from Manitoba (Hon. Mr. Forke), and let us recommend to the provinces that they do likewise in order to raise money for their needs.

Hon. Mr. McMEANS: Will the honourable gentleman support it?

Hon. Mr. DANDURAND: No, because I have not yet been reconciled to the principle; and as I am of the same opinion as I was two weeks ago, I shall vote against the second reading.

The motion for the second reading was negatived on the following division:

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STATUTE OF WESTMINSTER

JOINT ADDRESS

The Senate proceeded to consider a message from the House of Commons for an Address to His Most Excellent Majesty the King praying that he may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom, pursuant to certain declarations and resolutions made by the delegates of His Majesty's Governments in the United Kingdom, the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, the Irish Free State and Newfoundland, at Imperial Conferences held at Westminster in the years of Our Lord 1926 and 1930, and pursuant to certain other resolutions made by the delegates of His Majesty's Government in Canada and of the Governments of all the provinces of Canada at a Dominion-Provincial Conference held at Ottawa on the seventh and eighth days of April in the year of Our Lord 1931.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, this Statute is a very important one in relation to the constitution and development of Canada. Doubtless many of the members of this Chamber have watched our powers constantly evolving and enlarging until now we stand absolutely on an equality with the Mother Country, as announced by the conference declaration of 1926, which I think was framed by Mr. Balfour. The declaration was that Great Britain and the Dominions are autonomous communities within the British Empire, equal in status, and in no way subordinate to one another in any aspect of their external affairs, although united to the Crown and freely associated as members of the British Commonwealth of Nations. That was the great fundamental declaration. It stated what in practice was then an existing fact. I think it indicated not only a real fact, but also a hope. Still, for the purposes of legislation in this and the other Dominions of the British Empire, something more than a declaration of historical fact was necessary in order to crystallize in a Statute that status which was acclaimed and accorded to us in 1926. Therefore a resolution for an Address to His Majesty requesting the enactment of the Statute of Westminster is submitted to this House to-night for approval.

As honourable gentlemen all remember, the conference of 1926 was followed by a conference in 1929. Then there was held the conference of last year, 1930, to which we all helped to send the distinguished Premier of this country, and at which the final touch was put on the suggestions of 1929.

Hon. Mr. DANDURAND: Which were the work of a committee of experts.

Hon. Mr. WILLOUGHBY: A committee of experts; and they required to be experts also in showing to what extent some of the laws in force in Great Britain were inherently applicable not only to this Dominion, but to the other Dominions, notwithstanding the declaration made on status in the conference of 1926.

Among other laws that clearly over-rode our own was the Merchant Shipping Act.

Then there was the Colonial Laws Validity Act, a comparatively recent enactment of Great Britain, whereby any law of any Dominion, whether self-governing or not, that was not in harmony with British laws, was invalid. It became necessary to dispose of that Act, as well as the Merchant Shipping Act.

Then there was a great problem of draftsmanship, as to how the Statute of Westminster should be framed. Suppose it was not agreeable to repeal by a general clause all Acts of Great Britain which were not in harmony with ours, or all of ours which were not in harmony with Great Britain's laws. Perhaps I am not putting this as clearly as I should. Certain Acts of the Old Country —I have alluded to two of them—over-rode Dominion legislation in matters pari passu, but our experts, doubtless with the concurrence of those of all the other Dominions, did not wish to make the general declaration that all Acts out of harmony with the Statute of Westminster should be invalid. They preferred to adopt another system of drafting which should attain the same result by another form.

There are one or two other Acts in which we are particularly concerned. There was the question of extra-territoriality, which of course had to be dealt with. I know that different views have arisen in this Parliament since I have been a member of it, as to what our extra-territorial rights are. It comes to my mind that at one time Lord Durham caused some people to be expelled from Quebec to Bermuda for participating in the rebellion, and this action was disallowed as being beyond our jurisdiction. It would have been beyond our jurisdiction to deal with our own merchant marine outside of our territorial waters.

Hon. Mr. DANDURAND: We could not project our personality beyond the forum.

Hon. Mr. WILLOUGHBY: No, not on the high seas or in other countries. To some extent we were without a country and without a name. We have been met by Great Britain with the most generous terms since the conference of 1926. Consequently there has been a battle; not a conflict, but a battle of wits engaged in the task of determining how this Statute should be framed.

Hon. Mr. DANDURAND: Hear, hear.

Hon. Mr. WILLOUGHBY: There was another Act that did affect us a little, I believe, and I think nothing has been done with it. I refer to the Colonial Stock Act. Many years ago, when there was a great clatter in the newspapers about certain of our securities not enjoying the same legal status as English securities, an effort was made to deal with the question.

There is another right that has been accorded to us in this connection. We now enjoy not only a constitutional or conventional equality, but an absolute legal equality in our relations with the Motherland; and we enjoy this all over the world. We and the other self-governing Dominions now have even the right to be consulted in the devolution of the Crown of Great Britain. If any change should be made hereafter in the mode of descent of that Crown, the self-governing Dominions have the right to be accorded a hearing and participate in the decision.

I have not given this matter the detailed attention I intended to give to it, and I would have spoken to it earlier and at greater length if the weather had not been so oppressive. However, I think I have touched on the important phases of the proposed Statute.

Right Hon. Mr. GRAHAM: Ours is a resolution.

Hon. Mr. WILLOUGHBY: It is a resolution as follows:

That the Senate do unite with the House of Commons in the said Address, and that the words "Senate and" be inserted in the blank space therein, and that the Honourable the Speaker do sign the said Joint Address on behalf of the Senate.

Hon. R. DANDURAND: Honourable senators, it is unnecessary for me to say that I commend the action of the Government in bringing this resolution before Parliament. It represents a long step towards the equality of the status of Canada and the other Dominions with that of Great Britain. I remember a dinner which the Government gave to Sir Austen Chamberlain at Ottawa, when all the Privy Councillors were present. Sir Austen affirmed at that time that the true basis of union of the British Commonwealth was freedom, and that the greater the freedom of action by the Dominions the stronger would be the sentimental tie between them and the Mother Country. I have been watching the evolution of our status ever since I left college, fifty years ago, and I can hardly believe my eyes when I look at this Address and think of the position in which we stood at that time. There was then—and I am speaking more particularly of the mixed population of Montreal, for I was born and raised there —scarcely any national sentiment; there was virtually no pride in being known as a Canadian. I lived in the west end of the city, among English-speaking friends. Some of us used to walk up and down a hill to and from

our offices, and we discussed public affairs hundreds of times. Occasionally, when there was a difference in the point of view, those friends, of my own age and older, would say to me, "Oh, well, you Canadians—"; for to most of them the term Canadians meant the French-speaking Canadians. I do not know how my English-speaking compatriots styled themselves, but when any of them were about to leave for a trip to Great Britain they spoke of going home.

That state of mind has completely disappeared and now we are proud of the word Canadian. I have seen still lingering on the walls of some schoolhouses old maps on which the name Canada did not appear, for the whole country from the Atlantic westward was described simply as "British Possessions." But now Canada plays a part in world affairs, looking after its interests abroad as well as at home. I am always surprised to find that some of my friends are a little afraid of that movement, which they say is towards emancipation. They fear that the tie which binds us to the Mother Country may be weakened or broken. But those who travel to other parts of the world and represent their own country abroad come back happy and proud that they are full-fledged Canadians, and jealous of our national prerogatives.

There are probably only two important questions in regard to our relations with the Mother Country, with which we shall have to deal in the future. One has to do with appeals to the Privy Council. In another place there occurred recently an interesting discussion on this subject, when it was pointed out that Canada would sooner or later realize that its tribunals are able to render justice, and that there is no necessity for Canadians to go across the Atlantic to a sister nation for a court of last resort. The other question bears upon the right of Canada to amend its own constitution. Australia has had the power to do so ever since it was made a commonwealth, and it was given that power without any hostility or criticism on the part of the British authorities. We could have obtained a similar power in 1926 and in 1929, and we could obtain it to-day. The statesmen of Great Britain recognize the truth of Sir Austen Chamberlain's statement to which I have referred. But the difficulty lies with us. I was informed that at the conference of 1929 some members of the British Government were surprised that Canada was not requesting that power to amend its own constitution, which other Dominions have received simply for the asking. We did not make that move because at the Interprovincial Conference which took place in Ottawa in 1923 or 1924—

Hon. Mr. FORKE: Later than that. It was after I became a member of the Government; in 1927 probably.

Hon. Mr. DANDURAND: There was a meeting of Prime Ministers and their colleagues. I cannot remember the exact year, but I think now it was in 1926 or 1927.

Hon. Mr. FORKE: In 1927, I think.

Hon. Mr. DANDURAND: The Prime Ministers of Ontario and Quebec expressed themselves as against the proposal that Canada should be given this power. I am quite sure that they did not have a common reason for their objection. I know that Mr. Taschereau, the Premier of Quebec, feels that if this power were transferred from the Imperial Parliament to the Canadian Parliament the provinces would run the risk of losing some of the privileges which they have enjoyed by virtue of clause 92 and other clauses of the British North America Act. Well, I have no such fear, because the British North America Act does not state in black and white that the provinces must be consulted before any change is made in the constitution. There is no declaration that the four original provinces, Nova Scotia, New Brunswick, Quebec and Ontario, entered into a contract. The Act was drafted after the Charlottetown and Quebec Conferences, but was considerably altered in London. I say that at this session we could petition the Imperial Parliament to give us the authority to amend our own constitution were it not for the desire of some of our public men in Parliament to respect the spirit of the original agreement with the old provinces, and to uphold the right of those provinces to be consulted before any constitutional change is made. A few years ago we passed unanimously in this Chamber, after a lengthy debate, a resolution moved by the honourable gentleman from Gloucester (Hon. Mr. Turgeon), in which we declared that our constitution should not be amended without the consent of the provinces. But if we went to the Imperial Parliament and asked that the right to amend our constitution should be given to us, on the express condition that certain clauses in the British North America Act should not be changed by the Canadian Parliament until a resolution favouring the change had been passed by the Provincial Governments, the safeguards which are regarded as so important by the provincial authorities would be much

stronger than they are now, because they would then be written into the constitution instead of being respected simply because of a desire for good-will and fair play.

Therefore I welcome the conference that the Right Hon. Mr. Bennett has announced will take place within a certain time, for the purpose of ironing out difficulties that appear to be in the minds of some members of Provincial Governments, and of finding some method which will guarantee for ever the rights of the provinces and at the same time give us that virile power to amend our own constitution. That indicates a movement towards a greater measure of autonomy, and I shall follow with deep interest the preparations for the success of the conference.

Hon. Mr. DANIEL: I understand that this Statute of Westminster will have no effect on the British North America Act at all. Is that so?

Hon. Mr. WILLOUGHBY: Yes.

Hon. Mr. DANIEL: That is the fact?

Hon. Mr. WILLOUGHBY: Yes.

Some Hon. SENATORS: Carried!

Right Hon. G. P. GRAHAM: Honourable senators, I am strongly in sympathy with almost everything—I might say everything—that my honoured leader (Hon. Mr. Dandurand) has said. But we have made very rapid advancement in the last few years, and my suggestion would be—whether it is Tory-like or not—that we should go steadily and not too rapidly with this idea of getting the right to change our constitution.

Hon. Mr. McMEANS: Hear, hear.

Right Hon. Mr. GRAHAM: It will come, but if we press it on, or attempt to press it on, to some of the provinces, we shall drive the realization farther away than ever. Although the provinces may not have the constitutional right to be consulted, it is only by according them that right, where they are concerned, that we can be successful in getting extended powers.

Hon. Mr. LEMIEUX: Honourable senators, I agree with most of what has been said by the honourable leader on this side (Hon. Mr. Dandurand) and by my right honourable friend from Eganville (Right Hon. Mr. Graham). We must move slowly in matters of this kind. Facts precede Acts of Parliament, as was stated in another place. There is no fear of a revolution in connection with this subject in Canada so long as a resolution of the kind which was introduced by the honourable leader of the Government (Hon. Mr. Willoughby) here to-night is supported, and indeed promoted, by the present Prime Minister. We all know that he is a descendant of United Empire Loyalists and has always been a staunch supporter of British ideals and traditions. I am rather proud that in the present instance he follows in the path of his great predecessors in office, Sir John A. Macdonald, Sir Wilfrid Laurier, Sir Robert Borden, Mr. Meighen and Mr. King. This resolution is another milestone in the political history of Canada and of the Empire. It is the culmination of a series of events, and illustrates what Lord Tennyson said, that freedom under the British constitution has broadened slowly down from precedent to precedent. It is the result of a natural evolution, starting with responsible government. Lord Durham's report was met with extremely strong opposition in England, where his friends disowned him and he was bitterly attacked in both Houses of Parliament. As we all know, at least two different Governors General of this country did not act in accordance with the principles laid down in his report. Finally his son-in-law, Lord Elgin, who was one of the greatest Governors General that Canada has ever had, gave effect to the principles of responsible government, and they took root here from that time. Lord Elgin had the support of two noble men who understood him perfectly, Robert Baldwin and Sir Louis Hippolyte La Fontaine, a tribute to whom we see, whenever we stroll around these buildings, in the monument by Allward.

But even when responsible government was granted we had no fiscal independence. Our tariffs were drafted by the Mother Country; our commercial treaties were discussed and made through the instrumentality of Imperial statesmen, and the Colonials, as Canadians were called, were scarcely consulted. It took a good Tory like Sir Alexander T. Galt to put an end to that. He secured our fiscal independence and the right to make our own tariffs. At that time there were some people who almost rebelled against Galt, and who thought that the Empire was at an end. But common sense prevailed, and who to-day would think of leaving our tariff in the hands of Ramsay MacDonald and his Chancellor of the Exchequer, Mr. Snowden? Common sense prevailed, and it has brought all those reforms into our Canadian system of government. In 1867, when Sir John A. Macdonald was promoting Confederation, he said that Canada would become a nation and other nations would seek alliance with her. If he

were living to-day, Sir John A. Macdonald would approve of the measures which from time to time have come to fruition. In 1867, at the time of the Fisheries Treaty, he found out for himself, at Washington, that Canada had no voice whatsoever in matters concerning her most vital interests; in fact he found that our interests were being sacrificed, and so stated in the House of Commons. I forget his exact words, but he stated that our rights were being sacrificed by the commissioners who had been appointed by the Imperial Government. Had it not been for the virile action of Sir John A. Macdonald, everything might have been given to the United States. He conceived the idea that Canada should have a higher status, and in later years he gave Sir Charles Tupper direct instructions to negotiate treaties with France and with Spain. It is true that the signature of the British Ambassador in Madrid, or the British Ambassador in Paris, was affixed to each of those treaties, but the right to conduct those negotiations had been obtained from the Imperial Government. So in that sense Sir Charles Tupper was also a reformer.

With Sir Wilfrid Laurier the same logical evolution continued. When a new treaty was contemplated with France, Mr. Fielding —who, I can assure my honourable friends in the Senate, was a very stout Imperialist—accompanied by Mr. Brodeur, negotiated with the French Government. The only thing that was not done by them was the signing of the treaty. This was done by the British Ambassador in Paris.

The present Prime Minister may well follow in the footsteps of his great predecessors, Sir John A. Macdonald, Sir Charles Tupper, Sir Alexander T. Galt, and last, but not least, Sir Robert Borden. During the war, Sir Robert Borden was bold enough to exact from the British Government, for Canada, the right to be directly represented at the conferences which culminated in the Treaty of Versailles. We had our own representatives at those conferences—Sir Robert Borden and the Right Hon. Mr. Doherty, Minister of Justice—and under that treaty we secured separate representation at the League of Nations. I say, all honour to Sir Robert Borden for what he did on that occasion.

Then came Mr. King, under whom, in accordance with the advice and recommendation of Sir Robert Borden, our Minister to Washington was appointed. At the time some people objected. The present Prime Minister of Canada was one of them. I remember the speech he delivered in the House of Commons. Considering our relations with the United States and the business that is carried on between the two countries, one might well be surprised that we did not long ago have a direct representative at Washington. Under Mr. King Mr. Massey was appointed. Recently Mr. Herridge has been appointed. The proper place for our representative to the United States is the Canadian Legation at Washington, where in the name of Canada he can deal directly with the American Government. Through Mr. King and my good friend the leader of the left in this House (Hon. Mr. Dandurand) a Minister was appointed to Paris. We also have a Minister appointed to Tokio.

I said a moment ago that while Sir Charles Tupper, Mr. Fielding and Mr. Brodeur negotiated treaties affecting the trade of Canada with other nations, they were signed by the British Ambassadors. A considerable change has come since Mr. Lapointe, the very able ex-Minister of Justice, went to Washington and on behalf of Canada, and as the representative of His Majesty the King, signed the Halibut Treaty and later another treaty concerning a boundary question between the United States and Canada. We have asserted our rights in a virile way, and as a consequence we are all the more respected, not only by the United States, but, I dare say, by the Mother Country as well.

The years 1926 and 1929 marked the last steps in our evolution to date. The declaration attributed to Lord Balfour by my honourable friend the leader of the Government (Hon. Mr. Willoughby), and rightly so, was indeed a great charter and will go down in history to the credit not only of the statesmen of Canada, but also of the statesmen of Britain. There we have a solemn declaration that Canada, Australia and the other great Dominions are the allies, the equals, not the subordinates, of the Mother Country. In common we support the same principles of government. We have reached a status of perfect autonomy. To-day nobody finds fault, as some Canadians did in 1840 or in 1849, when Lord Elgin was in Canada. In view of that declaration and the findings of the last conference as applied to it, we may well be proud of our present status. We have become a nation. This was the aim and object of Sir John A. Macdonald when he promoted the cause of Confederation, and we take pride in the fact that we are a nation and are respected as such.

Let me conclude by stating that I shall vote with pleasure for this resolution. It embodies more than anything else the aspirations of the Canadian people at large. All Canadians, to

whatever race they belong, take pride in Canada as a nation. To use a phrase coined some years ago by my good friend the right honourable senator from Eganville (Right Hon. Mr. Graham), we as Canadians look upon Canada as our home, but upon the British Empire as our country.

The resolution was agreed to.

Hon. Mr. WILLOUGHBY: Honourable members, I have the honour to move that the following Address be presented to His Excellency the Governor General:

We, His Majesty's dutiful and loyal subjects, the Senate of Canada, in Parliament assembled, beg leave to approach Your Excellency with our respectful request that you will be pleased to transmit in such a way as to Your Excellency may seem fit, our Joint Address to His Most Excellent Majesty the King praying that His Majesty may be graciously pleased to cause a measure to be laid before the Parliament of the United Kingdom in the manner set forth in our Joint Address hereto attached.

This motion is seconded by the Hon. the Minister of Labour (Hon. Mr. Robertson).

The motion was agreed to.

Hon. Mr. WILLOUGHBY moved:

That a Message be sent to the House of Commons to acquaint that House that the Senate have passed an Address to His Excellency the Governor General, praying that His Excellency may be pleased to transmit our Joint Address to His Most Excellent Majesty the King, relative to a measure to be submitted to the Parliament of the United Kingdom and more particularly set forth in the said Joint Address: and desiring the concurrence of the House of Commons in the Address to His Excellency the Governor General, and the filling in of the blank space therein with the words "and Commons."

The motion was agreed to.

OTTAWA AGREEMENT BILL

SECOND READING

The Senate resumed from Friday, July 3, the adjourned debate on the motion by Hon. Mr. Willoughby for the second reading of Bill 80, an Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

Hon. L. McMEANS: Honourable members, when I moved the adjournment of the debate it was for the purpose of ascertaining from the leader of the Government, if possible, the exact figures in regard to the amount spent by the Government in the city of Ottawa. I stated that the amount was $30,000,000. What I should have said was that at the time these improvements—in the way of buying expensive real estate and tearing down buildings—were proposed, it was estimated that the expenditure would amount to about $30,000,000. I did not think that figure was over the mark.

Hon. Mr. DANDURAND: But we did not vote that money.

Hon. Mr. McMEANS: I spoke on the spur of the moment, but I still do not think I overstated the amount. I cannot find out now. I have a memorandum showing that $250,000 was granted to the Federal District Commission over a period of sixteen years; $3,000,000 to the Federal District Commission in fifteen years; $300,000 was paid out for certain properties; $600,000 was paid out for another piece of property, and $99,440 for the Birkett property. But that is only a drop in the bucket, and if these expenditures continue I do not know where they are going to lead us.

I think I have said nearly enough. In my opinion Ottawa has been extremely well treated. I know that in cities like Toronto or Winnipeg the properties of the Provincial Governments, the telephone properties that they own and the railways, are all exempt from taxation. In Winnipeg the Provincial Government takes the amusement tax, the automobile tax, the gasoline tax and the liquor tax, and imposes on the City a tax of something like $800,000 a year for municipal purposes. The Government here does not take anything from the City of Ottawa, but it is spending a tremendous amount of money. This, I think, ought to stop at the present time. If the treasury of the Dominion were in a condition to stand these expenditures there might be some reason for continuing the beautification of Ottawa; but when conditions are as bad as they are in this country, when famine is predicted in part of the land, and municipal schools are closed and the children have not sufficient food or clothing, I think it is time to utter a protest against any further expenditure along these lines.

I have not received the information that I asked the leader of the Government to procure when he introduced the Bill; so I do not suppose there is any use in my proceeding any further. I do want to say, however, that it is well known in this House and in the city of Ottawa that when any member of this House opposes or even criticises expenditures in this city his action will be followed next day by a personal attack in the Ottawa Journal. That has happened before. I should like to say to the Journal that I am not going to be terrorized, and that if I think that in the interest of Canada I should examine into or criticise the details of an

expenditure on the part of this country I shall avail myself of my privilege and my right to do so. It is disgraceful that a member of this House should not be able to oppose any expenditure in the city of Ottawa without being the subject of a bitter attack by the Journal next morning. The leader opposite knows that what I say is true. I can give him instance after instance of members of this House who criticised such expenditures being treated in the same way. The inaccurate sort of statement that appeared this morning does not amount to anything; but I think that any member of this House who criticises a proposal of this kind should not be subjected to such treatment.

Hon. Mr. WILLOUGHBY: The honourable gentleman from Winnipeg (Hon. Mr. McMeans) made one error, I think, in saying that we were unready, unwilling or unable to give him the information that he wanted in connection with Bill 80, which is the only Bill before the House. I read the statement made by the Minister of Public Works when introducing the Bill in the other House, showing that the appropriation was to be $100,000 for one year from the first of July, 1930, and was for the purpose of providing for the supply of water and certain other services.

But he did ask, further, although it was apart from the object of the Bill, about the expenditures for the city of Ottawa, and he has done the same to-night. I am not pretending to call him to account for that. It was quite interesting to hear the discussion he started in that connection. As I have thought it my duty to give more detail than I did last week, I have obtained some detailed information which perhaps it will not be uninteresting to place on Hansard:

Bill 80 now before the Senate provides for the extension for one year from the 1st July, 1930, of the agreement with the City of Ottawa whereby the City is paid the sum of $100,000.

By Chapter 55 of the Statutes of 1926-27 an annual grant to the Federal District Commission of $250,000 for sixteen years was authorized.

By Chapter 26 of the Statutes of 1928, which amends the Act of 1926-27, it is provided that the annual payments to the Federal District Commission shall be $200,000 for a period not exceeding fifteen years. This same Act authorizes payments not to exceed $3,000,000 for the purchase of lands, etc., for the carrying into effect of the scheme of improvements, etc. Out of this $3,000,000 vote the sum of $1,307,000 was expended in the acquisition of the Russell Hotel property.

In addition to the foregoing the sum of $600,000 is provided in the Estimates of 1926-27 for the expropriation of properties between Sparks and Wellington Streets, east of Elgin Street.

An additional expenditure was made in 1930 of $99,440.86 to acquire the property of the Birkett Company located on the west side of Rideau Canal.

Those are the additional expenditures in connection with the expropriation of property, and in connection with the Federal District Commission, that have come to my attention. I therefore lay the figures before the House.

Hon. Mr. McMEANS: Is there not another amount of three million dollars in addition to that?

Hon. Mr. WILLOUGHBY: No; this authorizes payments not to exceed three million dollars for the purchase of lands, etc.

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

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

THE SENATE

Tuesday, July 7, 1931.

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

Prayers and routine proceedings.

CONSOLIDATED REVENUE AND AUDIT BILL

FIRST READING

Bill 102, an Act to amend the Consolidated Revenue and Audit Act.—Hon. Mr. Willoughby.

ALBERTA NATURAL RESOURCES BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 84, an Act to amend the Alberta Natural Resources Act.

He said: Honourable members, this Bill is very short, and as is usual with our bills, the explanatory note recites briefly the necessity of the amendment. The Alberta Act was to have gone into force on the first day of September, but it became necessary to postpone the date for a month, to the 1st of October. This is to ratify the extension.

Hon. Mr. DANDURAND: I can see no objection to this Bill.

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

SASKATCHEWAN NATURAL RESOURCES BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 85, an Act to amend the Saskatchewan Natural Resources Act.

He said: Honourable members, this is a twin brother to the Bill dealing with the Alberta natural resources. Again there is an extension of the time when the Act is to come into force. This Bill ratifies and approves the extension, which is concurred in by the Government of Saskatchewan.

Hon. Mr. DANDURAND: There can be no objection to this Bill.

Hon. Mr. FORKE: Does the Bill not extend the time from August to October? Is it not two months instead of one month?

Hon. Mr. WILLOUGHBY: Yes, two months.

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

DOMINION AGRICULTURAL CREDIT COMPANY BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 88, an Act respecting Dominion Agricultural Credit Company, Limited.

He said: Honourable members, this Bill is founded on the Dominion Agricultural Credit Company, which is associated with the name of Mr. Beatty and has already been incorporated with a capital stock of $5,000,000, to be devoted primarily to the purposes of agriculture. This Bill also allows companies that otherwise would not legally be entitled to do so to subscribe for shares in that company. That is the whole purport of the Bill.

Hon. R. DANDURAND: Honourable members of the Senate, we are all aware of the project that is connected with this Bill. It has been given wide publicity. It is to assist the farmers of the West to go into diversified farming to a greater extent than they have done heretofore. It is stated that because prices are down this is not a very propitious time for giving to the farmers of the West a lead in extending their activities to other lines. I rise simply to put a question that is often heard in the East to the members of this House from the West. To what extent are the farmers of the two Western Provinces living upon the produce of their own farms? To what extent have they varied the limited production of vegetables and other things that could be utilized by themselves and their families? To what extent are they interested in poultry, hogs, and sheep, in case of the failure of their crop? I have no experience of Western conditions, but in my own Province of Quebec for two hundred years the farmer has lived largely off the products of his own farm. He disposed of any over-production, but could always feel sure of having, from what he raised on his own land, the necessities of life for himself and his family. I have often been asked whether the same thing is true in the West, but I have been unable to answer the question. Perhaps this would be an appropriate time for some of our honourable friends from the West to make a statement in this connection.

Hon. Mr. FORKE: Honourable members, I saw it stated somewhere that I was the only dirt farmer in the Senate. I do not know whether that is true or not.

Hon. Mr. LAIRD: It is not true.

Hon. Mr. SHARPE: No.

Hon. Mr. FORKE: Until I came to the Senate I had to live entirely off my farm, anyway.

Hon. Mr. SHARPE: So did I.

Hon. Mr. LAIRD: I tried to live off mine and did not make a success of it.

Hon. Mr. FORKE: I am quite willing to be corrected in the matter. I did not make the statement myself, and I am inclined to think that it was not meant to be flattering, but was an insinuation that it was rather difficult for a dirt farmer to become a senator.

Hon. Mr. WILLOUGHBY: I hope my honourable friend makes a living off his farm this year.

Hon. Mr. FORKE: I welcome the opportunity of stating a few facts—

Hon. Mr. McMEANS: Has my honourable friend any chickens?

Hon. Mr. FORKE: It is always dangerous for a man to give advice to someone engaged in a different class of work. I think all honourable members will agree that farmers have never suffered from lack of advice as to what to do and what not to do.

Hon. Mr. SHARPE: Hear, hear.

Hon. Mr. FORKE: In what I think was the first speech that I made in the Senate, I dealt with conditions in the West and advocated smaller units and more diversified farming there. I still think that the final

solution of the problem in Western Canada will be achieved through these means. The situation in the West at the present time shows how difficult it is to give advice to the farmers. Perhaps honourable members will excuse me if I refer to my own experience by way of illustration. Some years ago I raised as much as fifteen or sixteen cars of wheat, amounting to 15,000 or 16,000 bushels, but now I have considerably reduced my acreage in grain. I think that at present I have only 200 acres in wheat, about the same in oats and 100 acres in barley. I have 100 head of cattle, 200 sheep and 22 horses. These figures are fresh in my mind because I used them in filling up the census papers not long ago. Now, I should like the honourable leader on this side of the House (Hon. Mr. Dandurand) to listen to this. Lately I have not worried so much about the loss of my crop, for I have felt certain that it would not bring in anything, although I have been put to the expense of raising it. My chief worry to-day is on account of the live stock. The man in the West who has no live stock at present is a great deal better off than the man who has some, for it will be difficult to find sufficient feed for next winter. After the last adjournment of the Senate I was away from Ottawa, on a trip to the West, one week, of which two days were spent at home with a view to seeing what could be done to get sufficient feed to carry the cattle through the winter. I sent down to the hay lands and bought three stacks of hay, paying for it out of my pocket. I was desirous of looking at the pasture grounds because stories were coming from the West that the pastures were drying up and animals were starving. I think my own pasture, which is a very large area, is one of the best in Western Canada. It is partly high and partly low land. Had it all been high land, the stock would have starved, but the low marshy places that at this time of the year are often too wet to be of use happened to be suitable for grazing, and consequently we shall be able, I think, to get enough feed for the cattle. But there are a large number of farmers—I am speaking only of Manitoba—who are in dire distress and will not know how to carry their cattle over the winter. Before I left Ottawa hay could be bought in the stack, down in the marshes, for $2 a ton, but before I came back the price had risen to $10. I have no doubt that many farmers will ask themselves this winter whether they should hold on to their cattle or destroy them. Yet people who profess to be able to advise the farmer tell him to go in for mixed farming and not to put all his eggs into one basket. Well, we have them in two baskets now, but we are not out of trouble.

But I repeat that it will be necessary for Western Canada to have smaller farming units in the future. Of course, there will continue to be large acreages worked by tractors and combines. I have a tractor myself. I know of one honourable member who is a farmer with a very large acreage under cultivation, and I should like to hear from him.

I would impress upon honourable members the fact that the farmers of the three Prairie Provinces are, generally speaking, men of intelligence. Most of them are well informed, for not only do they subscribe to a daily newspaper, but they read extensively on a wide range of matters, many of them not connected with their own work. They are not in need of much advice. As soon as money becomes more plentiful and it is possible to improve the situation they will go about things in the right way. In the early days wheat was virtually the only crop in the West, and people raised it because they were eager to make money, but the time is coming, and I think it is near, when the Westerner will not be so desirous of making a great deal of money out of wheat as of getting a decent living on the farm. There are too many people who seem to think that the farmer should sink to the peasant class. I never would have been at Ottawa—I say it in all sincerity—if it had not been one of my objects to do what I could towards the development of what might be called a yeoman class of well conducted, well educated people carrying on the farming business and enjoying many of the comforts and conveniences of modern civilization. I am afraid, honourable senators, that present conditions are tending towards the establishment on farms of a more ignorant class of people, who are content with a bare living, and who will not insist upon having the conveniences of modern civilization. I shall do everything I can to save our farms from falling into the hands of people of that kind, because if there is any lowering of the standards of life on the farm the whole Dominion will suffer.

Perhaps I have referred to my own experiences too largely, but I thought that I could speak more plainly by telling what I know. I have high hopes for the future. If I am permitted to refer to my own experience again, I would say that Western Canada has been a wonderful country to me. I landed as a boy at Halifax with no money, and it would be base ingratitude on my part

not to testify to what our great West has done for me and for many others who have gone to make homes there.

Hon. Mr. DANDURAND: My honourable friend has not answered my question, but perhaps I did not make myself clear. He cultivates a large area, but I was thinking of the farmers who operate 160 acres. I am not trying to give advice to farmers. I was simply asking whether the farmers of the West, from their own farms, were supplying themselves with food for their daily use, aside from groceries. That is, I was wondering whether they raised poultry, cows, hogs, sheep and so forth. When there is a failure in the crops that are raised for the markets, to what extent can the farmers of Manitoba, Saskatchewan and Alberta supply their ordinary food requirements from their own farms?

Hon. W. H. SHARPE: In reply to the honourable leader on the other side (Hon. Mr. Dandurand) I should like to say that conditions in Manitoba are very largely as the honourable member from Brandon (Hon. Mr. Forke) has described. I cannot speak for Alberta and Saskatchewan, because I do not know of the conditions as existing there, but I think I am safe in saying that 90 per cent of the farmers of Manitoba could live off the produce of their own farms.

With regard to the statement that the honourable gentleman from Brandon (Hon. Mr. Forke) is the only dirt farmer in the House, I should like to point out that my honourable friend from St. Boniface (Hon. Mr. Bénard) cultivates 7,000 acres.

Hon. Mr. FORKE: I forgot the honourable senator from St. Boniface.

Hon. Mr. SHARPE: I have myself cultivated a farm of more than 3,000 acres. And there are other farmers in the House, too.

Hon. Mr. CASGRAIN: I should like to ask a question of the honourable gentleman from Brandon (Hon. Mr. Forke). Some forty-two or forty-three years ago I was in the Northwest, and there was no worrying then about being able to carry stock over the winter. I was surveying in the Red Deer country, and worked eleven horses all winter. They found their own feed, and I was wondering if there has been a change in the climate which would prevent the cattle from doing that now.

Hon. D. E. RILEY: Honourable senators, it is with considerable hesitation that I rise to speak at this time, but as I am in the category of a dirt farmer, perhaps I may be excused if I make a few remarks. In reply to the question asked by the honourable leader on this side (Hon. Mr. Dandurand) as to how many farmers on 160 acres of land in the West were raising their own food, aside from groceries, I may say that in the part of the country that I represent, Western Alberta, almost every man who operates a quarter-section of land produces his own vegetables, meat, butter, eggs, and so on. Many of the men on the larger holdings are not doing that, because they are concerned almost entirely with the business of growing wheat. I think that when the country is divided into farms of smaller units there will be more prosperity. We have an example of what can be done by small farms in Prince Edward Island, where I was born and brought up. In that province there is no unemployment, no poverty and no great wealth. The people as a whole are very happy and contented. It is strictly a mixed farming country, and the grain that is grown there is used to feed the cattle, hogs and poultry.

I have prepared a statement for presentation to the House on conditions in the West, because these have been the subject of considerable discussion in the press and elsewhere. The Bill that is now before us has some bearing upon these conditions. I understand that the object of the measure is to allow certain financial companies to invest their money in the Dominion Agricultural Credit Company for the purpose of assisting in the financing of the live stock and general farming business.

As a result of certain reports that have been made, there has been created an altogether wrong impression, at least in Eastern Canada, with respect not only to economic conditions in the West, but also to the spirit of the people there. It is true that certain sections of that country are undergoing serious hardships, and conditions in some of those districts are as bad as represented, but those conditions do not apply to the Western country as a whole. The calamity that has overtaken large sections in southern Saskatchewan and parts of eastern Alberta, in the way of drought, is, after all, only a passing phase in the evolution of the Canadian West.

In speaking as I do, I want it to be distinctly understood that my purpose is not in any way to minimize the terrible conditions that prevail in the affected areas, but rather to emphasize the absolute necessity for immediate relief, if those people affected are to remain an asset to the country.

The people of the Western Provinces have passed through conditions just as trying as those that prevail to-day, though possibly not affecting so many people or extending over so large an area. They have had to contend with climatic conditions over which

they have no control—hail, drought, frost—and with low prices. I can point to several large areas that were once under cultivation, but, owing to some or all of the causes mentioned, were abandoned years ago. Anyone who has lived in the West for the last thirty or forty years has not had to wait until this late date to know what hard times mean. The entire history of the Canadian West has been a "weeding out process," a "survival of the fittest," and that process still goes on. But at heart the country is sound. In spite of all those discouragements and drawbacks, the country has gradually and steadily developed, until to-day Western Canada, which fifty years ago was a buffalo pasture, is rightly called the "Granary of the Empire."

The sturdy pioneer spirit that developed that country under all the adverse conditions that had to be contended with is still in evidence, and already the people are adjusting themselves to the conditions which prevail to-day. This spring they have put in their crop at less expense than ever before. They have planted only ground that was properly prepared last year. They have been more careful of the class of seed sown. By these means they intend to cut down the costs of production and to obtain better quality and increased yield.

The low price of wheat is the cause of the depression, not only in Western Canada, but through the entire country. This carries within itself its own certain and speedy cure, namely, largely curtailed world acreage. In the part of the country I represent, this curtailment amounts to almost 20 per cent. This reduction has to some extent been replaced by the planting of oats and barley; this with the view of keeping more live stock and selling those grains in the form of pork and beef and mutton. This is only another proof that the farmer is adjusting himself to present-day conditions and will carry on until those conditions improve.

The world famous economist, Sir Josiah Stamp, during his recent trip through Canada as the head of the Royal Commission investigating grain futures, said that to him the most impressive point was "the staunch confidence of Western Canada in its own destiny." He said:

> I consider most remarkable the tremendous development which has taken place in the Prairies in the last thirty years. The settlements on the vast lands expressed no touch of temerity in their transition from shack towns to budding cities.

While admitting that the West is passing through trying times, it seems to me that over-publicity has been given to it. We need in the West money to develop the great natural resources, and the adverse publicity that we have received of late is unfortunate.

An article appearing in the Literary Digest a short time ago, regarding conditions in Arkansas, is applicable to our own situation:

> The sorry plight of the Arkansas farmers last year was the subject of the world-wide interest. The unprecedented drought, coming as it did, contemporaneously with the Wall Street slump, aroused the pity and practical sympathy of the United States Congress. Funds were raised. The Red Cross fed 500,000 people in the parched States. Now, after good rains and the hopeful advent of spring, Arkansas is belittling the hardships of last year.

The Digest goes on to say:

> Many Arkansans now feel that the State has been forced to suffer unnecessary hardship through adverse publicity, much of it overdrawn. As a result, investors shy away from Arkansas State bonds, and are reluctant to loan money. We have been hit, but we have howled a little louder than we have been hurt.

The world grain situation is such that straight wheat farming will, for some time at least, be more or less unprofitable, but wheat, as well as the coarser grains, can be more profitably turned into cash by the meat route. It is estimated that half of the people of Canada live on the farms, that 80 per cent are commercially dependent on the farm directly or indirectly. The controlling factor in Canadian business welfare has been the world's price of wheat and the yield of this grain on the plains of Western Canada. Wheat growing has been Canada's main business of late years. So much has this been the case that the most important branch of agriculture has been almost overlooked. I refer to the live stock industry. In the country which I represent this was the initial industry. The cattle men were the pioneers of Western Canada, and while their operations have been sadly curtailed by the turning of their old ranges into wheat fields, still to-day it is a most important branch of agriculture. The keeping of flocks and herds is as old as the history of the world and it still occupies an important place in the economic life of Western Canada. Now that the growing of wheat, at least for the time being, has ceased to be attractive, more people are turning their attention to live stock.

It is true there are large areas unsuitable for the production of live stock, but wherever possible it is economically sound to engage in mixed farming.

There has been dire howling about an overproduction of live stock, but now that an outlet has been again found for our surplus

cattle, an outlet can also be found in the same market for our surplus bacon. There are ample opportunities for an increase in the live stock produced in Western Canada.

In connection with the cry of over-production, some criticism has been levelled at the scheme sponsored by Mr. Beatty, of the C.P.R., to provide a revolving fund of $5,000,000 to encourage the greater production of live stock. To my mind, the critics are viewing the situation in an altogether selfish manner. Through this plan many worthy poor farmers will be given a chance to make a start in live stock in a small way, thus providing themselves with food as well as a means of making some ready money outside of the grain they can raise. It will also be the means of making farm life more attractive and the future will hold more hope for them. The most unattractive place I know of is a farm without live stock.

This scheme is shaped on what is known as the Minnesota plan, which operated in the Northwestern States and was a great success under conditions similar to those of Western Canada. If it was such a success in Minnesota, why should it not be an equal success in Western Canada? I will read a short extract to show what has been done:

> Working together, in the six years since 1924 these agencies have undoubtedly helped to lift the Northwest Grain Belt, embracing the northern half of Minnesota and the whole of the Dakotas and Montana, out of an apparently hopeless crisis into a condition of sound prosperity. The region was bankrupt in 1924; in 1930 it had ceased to be primarily a "grain belt," and was enjoying an assured income from live stock.

The value of the cattle of this country can be estimated when we consider that Canada has in the neighbourhood of 9,000,000: estimated at $40 a head, it reaches the sum of $360,000,000. Canada consumes in beef about 2,000,000 head per year.

While dairy cattle have increased, commercial or beef cattle have decreased very materially in the last ten years. In 1919 Canada exported 550,000 head of beef cattle. Our exports have been steadily decreasing until last year they amounted to only 27,600. Furthermore, the numbers do not give a fair index of the decrease, as when we exported a half million they represented per capita a greater poundage, being older and heavier cattle, whereas in the last two years, at least, our cattle were sold as two-year-olds and under that age, the market demanding a lighter animal. It is a simple calculation to see what Canada has lost by the decrease in her beef cattle.

Here is one proof of the truth of the law that production follows market. In 1919, or at the peak of our exports, the United States market was open to our cattle. Our cattle went into the American market free of duty, although at that time Canada had a duty on American cattle coming into Canada. Cattle went free to the United States from 1914 to 1922. In 1922 the Fordney-McCumber tariff came into effect and we began exporting our beef to Great Britain. This continued to be our market until we were driven out by the South American beef war, which put chilled or frozen meat on the Old Country markets at prices so attractive that we could not compete, and then we were forced to sell our cattle in the United States and pay a duty of from 1½ cents to 2 cents per pound. We continued to sell there until last year, when a further increase in the American duty made it prohibitive and we were forced to fall back again on the market in the Old Country. Several shipments were made last fall, and again this spring, and our surplus cattle are finding an outlet in Great Britain.

The favourable reception our cattle have received in Great Britain, both for immediate slaughter and as feeders, is proof that Western Canada can produce the class of cattle suitable to the requirements of that market.

This spring, representatives of a large British co-operative firm visited the Western ranges, in order to satisfy themselves of the likelihood of obtaining a supply of quality cattle for their own trade. So pleased were they with the class of cattle produced there, and the conditions, that the result has been that they have made arrangements to take a weekly shipment of cattle for the entire season.

At the present time, Canada consumes at least 90 per cent of the beef she produces. Our home market is our principal market, nevertheless the price obtained for our surplus sets the domestic price.

One proof that the people of that section of Canada have not lost faith in the future of that country was the annual sale of pure bred bulls that took place in the city of Calgary in March last, when 600 bulls were sold at an average price of $173 per head, some of them for as high as $800.

There is no reason why Canada should not increase production of cattle to the point where we should have the same number to export as in 1919. Roughly speaking, it would mean $40,000,000 a year of new outside money.

Another item which I might mention is the annual sale of 600 head of work horses that was held at High River in March last.

I have passed through several periods of hard times in the West, but I have never seen a time when live stock was not a liquid asset. I mention these things to show that the live stock industry still holds an important place in the economic life of Alberta, and the people have not lost faith.

In our home market, which, as I have said, is our principal market, the spread between the price paid the producer and the price the consumer pays is ample proof that our selling and distribution system must be reorganized. If 50 per cent of the people of Canada live on the farm; if 80 per cent of the people are, directly or indirectly, dependent economically on the product of the farm; if live stock is the basis of permanent and successful agriculture in every farming country in the world; then surely it is the duty of Parliament, as well as the Government, in these times of stress to evolve a national live stock policy having for its aim not only the production of more and better live stock, but also a marketing and distribution system that would insure to the producer a fair return for his investment and labour, and to the consumer a fair price for what he has to buy. Such a policy would mean more employment during the winter months. It would provide a profitable market for the low-grade wheat and coarser grains. It would provide increased traffic for our railways. It would bring prosperity to this country more quickly than anything else would, and tend to make Canada one of the greatest agricultural countries in the world.

Hon. H. W. LAIRD: Honourable members, the query propounded by the honourable leader on the other side of the House (Hon. Mr. Dandurand) affords a good opportunity for the discussion of the agricultural situation in Western Canada. As is known to all of us, no matter from what part of the country we may come, the unique situation of agriculture in Western Canada to-day is something upon which we could well afford to spend some time, in order, if possible, to evolve some reasonable solution for the future.

Our honourable friend from Alberta (Hon. Mr. Riley), in his address, dealt with the question largely in its relation to live stock. From the strategic position that he knows so well, he discussed the live stock question in a most intelligent and interesting manner. I think, however, we might delve a little deeper, and instead of confining ourselves to any particular phase of the agricultural industry, we might extend our inquiry into a general review of the situation as it stands to-day.

In addressing myself to this subject, may I say that I speak from a knowledge gained by an experience extending over some thirty years of residence in Western Canada, during which time I have seen it grow from the acorn of sparsely settled communities and indifferent agriculture to the gigantic oak of beautiful towns and cities, a network of transportation systems and a production from the soil of farm products which feed the peoples in all parts of the world. While there have been sacrifices by reason of living in pioneer surroundings, there has been a compensating satisfaction in watching a great country grow and in being part of it, so that one's very soul becomes inseparable from its national life. It is true we have had our troubles, but they have been largely due to growth. No child grows to maturity without experiencing the round of childhood diseases, and it is even so with all new countries; and if you have heard of Western grievances and complaints, do not take them too literally or too seriously, for they are really evidences of growth and progress and the impatience of a people who, through their very optimism, perhaps desire to travel and arrive too quickly.

In considering the evolution of Western Canada we might properly start with an idea of conditions as they were, say, in 1900, when the country really commenced to open up, and then take a look at the situation as it is to-day, and see how the people have adapted themselves to the changing conditions during this thirty-year period. In 1900 a single line of railway traversed the country from east to west, with a small population on the land and in the straggling villages along the line of steel. Agriculture was confined to a few well defined areas, and horse and cattle ranching was somewhat extensively carried on in the larger areas farther west. Rail rates were high, prices of farm products low, and the people had to live within their own resources and make ends meet.

Then came the influx. The whole world suddenly seemed to realize that Western Canada was the last Great West, and offered opportunities that no other land could promise. In fourteen years enormous districts were turned from grazing lands and virgin soil into successful agricultural areas. Population developed transportation systems and a network of railways. Agriculture required millions of dollars' worth of implements to turn the sod and make production possible. Towns and cities grew overnight, which required large expenditures for municipal improvements, schools, churches and public in-

stitutions. Following this influx of people came the inrush of capital and the employment of thousands of artisans. Capital, labour and development went hand in hand. There were four classes of people comprising this growing population: the first class, original settlers, largely in the Indian Head district; the Eastern Canadian farmer who sold out and took his money and experience west to start anew; certain classes of American settlers with ample money and live stock and experienced in western agriculture; and immigrants from all parts of the world, some of whom took their grub-stake with them. Development led to the rise in land values. The settler paid $10 homestead fee and received one hundred and sixty acres of land. The C.P.R. sold the finest land for $480 per quarter-section. These values rose $20 to $60 per acre. With construction and development, money flowed freely. Credit was easily obtainable. Under these circumstances, a settler was not ambitious to make a permanent home for himself, but wished rather to make some easy money and move on. The result was inevitable. Financial institutions had been eager to put out money at high rates of interest, and inexperienced people did not see the danger of over-extending themselves and borrowing money which later they found it difficult or impossible to repay. It was a combination of inexperience and too much optimism in a new country.

Then came the war, with high prices for farm products, which made farming very profitable and carried the farmer to further heights of prosperity and a standard of living which agriculture under normal conditions could never be expected to maintain.

The experience of the last two years has proved a rude awakening for the Western farmer. Loaded with high-priced land which is mortgaged at high rates of interest; with a standard of living which included automobiles, radios and other expensive trappings, all born of a prosperity now non-existent, he finds himself faced with high fixed outlays for interest and carrying charges; lands reduced in value by fifty per cent; prices for farm products which do not nearly pay the cost of production; and high taxes on a scale hitherto unheard of.

Hon. Mr. LEMIEUX: To what taxes does the honourable gentleman refer?

Hon. Mr. LAIRD: Municipal and provincial taxes.

Hon. Mr. LEMIEUX: And federal?

Hon. Mr. LAIRD: No; the federal income tax unfortunately does not bother the Western farmer very much.

Then, to add to the discomfiture of the Western farmer, the land that he has been continuously cultivating has in many cases lost its fibre and productive capacity, and the recent disastrous dust storms have demonstrated that the day of the black summer fallow is about over. In future he will have to cease being a soil miner and become a soil restorer. This will require changed methods of farming, the adoption of rotation of crops and the extensive cultivation of grasses and clovers in order to put back into the soil the fibre of which it has been robbed and thus prevent the blowing of top soils, which will prove the ruination of the country if not curbed in time.

Here let us digress for a moment and consider whether the farmer has been well serviced by Government and private institutions as regards facilities for carrying on his business under favourable conditions. I think I am safe in saying that in no country in the world has encouragement been accorded in a more marked degree. He has been able to borrow a reasonable amount of capital with which to carry on. True, the interest rates have been higher than in the older and more stabilized parts of the country, but mortgage and bank advances have been available, as a rule, at 8 per cent. Efficient marketing facilities have been afforded by the grain trade and his own Co-operative Pools, these assuring him the last cent his product is worth. Transportation facilities by the two great national systems have been efficient and liberal. The Federal Government has practically completed the Hudson's Bay Railway at a cost of $30,000,000, and a material saving in freight on export grain and live stock, in years to come, is confidently expected. Provincial Governments have spent enormous sums to provide public highways to reduce the primary marketing costs. The Government Experimental Farms and Research Departments have shown the way to more advanced and better methods of farming. A pamphlet issued by the Canadian Wheat Pools on March 31, 1931, proves the advantageous position of the Western farmer as against his competitors. The railway freight from a typical Saskatchewan point to Fort William is 13.50 per bushel, based on 700 miles haulage. The average freight rate in Australia is 8 cents for 77 miles, and in the Argentine 11.74 for 114 miles. The freight rate paid by the Australian is, therefore, five times as much, and by the Argentine farmer four times as much, as the Canadian grower pays—

Hon. Mr. FORKE: May I ask the honourable gentleman a question?

Hon. Mr. LAIRD: Just a moment, until I finish the sentence—although it must be remembered that in Canada the haul to the head of the lakes is much longer than the initial haul to tide-water in the other countries mentioned.

Hon. Mr. FORKE: I was going to ask the honourable member whether he thinks that is a fair way of putting it—that the Australian farmer pays a higher rate to get the wheat to the seaboard than does the Western farmer. Actually it costs our farmers twice as much as it does the Australians to get the wheat to the seaboard.

Hon. Mr. LAIRD: I have already explained that, and I thought my honourable friend would understand it.

Hon. Mr. FORKE: I read my honourable friend's article in Saturday Night.

Hon. Mr. LAIRD: I am going to deal further with the point, if my honourable friend will have a little Scotch patience.

Hon. Mr. FORKE: I will try to have patience.

Hon. Mr. LAIRD: The same authority gives the net return—this allows for the freight—to the wheat grower in Western Canada, on the basis of prices as of March 31, 1931, as 37.75 per bushel; the net return to the grower in Australia from grain in bags as 38.27, the cost of the bags being extra; and the net return to the Argentine grower as 12.65 per bushel. These compilations are based on fair average prices and allow for differences in the quality of the wheat in the countries mentioned. They are taken from the official records and documents of the Canadian Wheat Pools themselves. So, as regards this phase of the question, it can be successfully argued that from the standpoint of transportation charges to the seaboard, and the net returns to growers, the Canadian farmer is in a far more advantageous position than his world competitors.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. LAIRD: I have endeavoured so far to give you a picture of the present-day position of the Western farmer, and the economic causes which led up to it. I have also pointed out that his present precarious financial position cannot be said to be due to the lack of encouragement on the part of Government, credit and transportation agencies. Now let us go one step farther and inquire in what direction lies the way out, and how the Western farmer can retrieve his fortune and regain his lost purchasing power.

First, he must live on his farm and within his income.

Second, he must revert to conditions that obtain in other agricultural countries, and depend on the farm itself for his living.

Third, he must make money instead of borrowing money. The heavy overburden of ill-advised borrowing in the past is what is now oppressing him.

Fourth, his ambition must be to make a permanent home on the farm for himself and his family. He must cease to be a bird of passage, and must become attached to the soil, and thus develop a permanent agricultural population instead of a more or less speculative one.

Fifth, he must develop along the lines of smaller and more intensively cultivated farms —not more than a half-section each—and by the use of grasses and clovers put back into the soil the fibre cultivated out of it by continuous cropping. This will facilitate the adoption of mixed farming.

Sixth, the more general use of fertilizers will help him make two blades grow where one grew before, thus increasing production and reducing his overhead.

The adoption of these suggestions will not make the farmer prosperous unless they are accompanied by thrift and the intelligent direction of his labour. Even then there are other economic considerations that enter into his case. Single-handed, there is grave doubt that he will be able to extricate himself from the financial morass from which he struggles for freedom. The banks and mortgage corporations have pressed him for payment of interest and repayment of principal, and when this has proved abortive, in many cases they have taken security on all his assets. Hamstrung financially, he is unable to move; he is discouraged, and sees no way out. He sees nothing for the future except working for his creditors. With the accumulation of interest and taxes, and with low prices for what he has to sell, he sees little prospect of overcoming the forces arrayed against him and winning out, notwithstanding the urgent pleas of the lending companies for him to remain on the land, and their promises to see him through. And the lending companies, as a rule, have been very considerate to the farmer, because they know that such a policy is the only solution of the problem of protecting their security. If the farmer cannot work the land profitably, it is a certainty the companies cannot do so. It is my best judgment that sooner or later there will have to come a show-down between the lenders and the borrowers and at least a portion of the past indebtedness must be written off. There is no other possible solution of the farmer's present

position. And if it is bound to come, the sooner the better for the creditor, the debtor and the country generally. What does it avail a lending company to carry on its books enormous sums of past due interest and very questionable equities when it is a certainty they never can nor will be paid? And why should the Canadian Government continue its paternal policy of supplying seed and feed and relief to the farmer when it is obvious that such assistance, though well intentioned, cannot relieve the underlying and basic causes of his distress? Such a policy is only postponing indefinitely the evil hour—the certain failure in the end. Far better to relieve the farmer from the incubus now, have it over with, and thus enable him to start afresh with at least some of his shackles removed and with his strong arms free to work out his destiny on the land—and incidentally ensure that the loss to his creditors shall be only a partial and not a complete one. The Federal Government adopted this policy with its soldier settlers: took the loss and forgot about it. The same policy was pursued in the Dakotas and Minnesota in the early days, and seems to be the invariable happening in all new countries until permanent stability is secured.

In conclusion may I say I am not one of those who see no future for our great Western country. I am an optimist of 30 years' experience and have more faith in the country to-day that I have ever had. It offers the greatest opportunities in the world for the farmer who starts in now with the experience of the past to guide him. Certain conditions exist to-day which require heroic treatment, that the country may be put on its feet, and once this is done the economic evolution of Western Canada will be complete so far as the happiness and prosperity of its people and the general welfare of Canada are concerned.

Right Hon. GEO. P. GRAHAM: Honourable senators, I should like to get some advice. For some time I have been wondering what a comparatively small trust company or insurance company ought to do by way of performing its duty in taking advantage of the privileges proposed in this Bill. I am desirous of assisting as much as possible towards the success of this agricultural credit scheme, but I do not know just how far the smaller companies, more particularly those engaged in life insurance, ought to go. A life insurance company does not own the money it handles; it simply holds in trust money that has been invested principally for the benefit of widows and orphans. The Insurance Act very strictly limits the securities in which companies may invest, and some of the companies have been so careful that they have put their money only into municipal or government securities. Now those companies are asked to take a share in a different type of security. Feeling my responsibility as a trustee for widows and orphans, I am not sure just how much I should consider myself at liberty to invest their money in the scheme in question. If some honourable member can enlighten me as to how I should act, in view of that responsibility, it would rescue me from a dilemma and perhaps relieve my conscience. The company in which I am interested has always been very careful in its investments, and that is very fortunate for it at the present time. I know there are others besides myself who would like to know how far the smaller companies might reasonably go in investing funds in the company referred to in this Bill, and how safe such investment would be for these funds, which belong to widows and orphans.

Hon. J. S. McLENNAN: Honourable senators, it seems to me that the larger insurance companies could invest the whole amount of the capital that would be required under this scheme, and, even if they lost it all, the security for their policyholders would not be seriously endangered. After all, the amount of money required will be comparatively small, and while the smaller companies might like to express their good-will to the undertaking, it could perhaps be left to the bigger companies to put up the required sums.

Hon. Mr. DANDURAND: I do not profess to be able to answer the question of my right honourable friend on my left (Right Hon. Mr. Graham), but I would suggest that if we give this Bill the second reading now, the honourable leader of the Government (Hon. Mr. Willoughby) might, when it comes before us for third reading, present the view of the Superintendent of Insurance concerning his discretionary power to direct insurance, loan and trust companies under his supervision as to what part they may take in this scheme. Of course we can legislate only for companies that have federal charters. I know that the Department of Insurance carefully scrutinizes the securities in which insurance companies invest.

Hon. J. J. DONNELLY: Honourable senators, I should like to commend the honourable member for High River (Hon. Mr. Riley) for his optimistic remarks. They show that he has a deep faith in this country. I am convinced that his faith is well founded. I am not sure that I understood correctly the ideas of the honourable senator from Brandon

(Hon. Mr. Forke), but I gathered that he thought that the farmers of the West should not continue raising cattle or live stock.

Hon. Mr. FORKE: Oh, no.

Hon. Mr. DONNELLY: I should like to refer to some matters that have come under my own observation. I come from the County of Bruce, which produces and sells more beef cattle than any other county in the Province of Ontario. I have been closely watching the cattle business in that country for a number of years, and I know that in the year 1895 cattle were cheaper there than they are to-day in the section of the country that my honourable friend (Hon. Mr. Forke) represents. We had much more difficulty in getting feed than the people of the West have now, but the cattle raisers who had the faith to carry on have since become successful. They did not go out of business because of the temporary difficulties. In farming as in every other line of activity there are lean as well as fat years. An old farmer who lived near me, and whom I knew very well, said that one could never judge the success of a farmer by one or two years' operations; that one could say a farmer was a failure only if he had not succeeded on the average over a period of at least four or five years. My observation is that, judged by that standard, the people of Western Canada who have made an honest effort have been successful.

Hon. Mr. FORKE: I do not want the notion to go abroad that I am opposed to the raising of cattle in the West. As I have already stated, I spoke in the Senate some time ago in favour of mixed farming, and I am of the same opinion now as I was then. We have listened to very interesting speeches on this matter to-day. Perhaps I may be permitted to remark that my honourable friend from High River (Hon. Mr. Riley) lives about as far from me as I live from Ottawa; so if there are any differences between his statements and mine, they should be considered as due to different geographical conditions.

In answer to the question asked by the honourable senator from De Lanaudière (Hon. Mr. Casgrain) I may say that at the time to which he referred there were no fences and the stock could roam at will on the prairie. Crops were raised only here and there. Conditions are entirely different to-day. I may add that the last real drought in Manitoba was in 1889.

Hon. L. McMEANS: Does my honourable friend not think that the present high rate of taxation on farms is responsible to a great extent for the difficulties that the farmers have to meet?

Hon. Mr. FORKE: It has a good deal to do with it. There was a sentence in an article written by the honourable senator from Regina (Hon. Mr. Laird) which, I think, hit the nail on the head. He did not mention the point to-day. It was that the prices of all farm products have fallen below the cost of production.

Hon. Mr. McMEANS: I mean that the expensive administrations of the different provinces, the building of roads and of railroads, the losses of the Pool, pensions and all sorts of heavy expenditures which have been made from year to year, have increased the taxation of the people, especially those on the farms. I, unfortunately, happen to have a farm on which the taxes are over $1 an acre. It is situated about fifteen miles from Winnipeg, and consists of 1,200 acres, and the taxes on it are more than $1,200. I think that taxation has a great deal to do with the difficulties under which the farmers labour.

Hon. Mr. FORKE: In reply I may say that I have not much doubt that the agriculturists of the West—and the city people also—have gone too far. A debt incurred when wheat is selling at $1.60 is going to be very difficult to pay off when wheat is selling at 46 cents. There is the great trouble to-day. As I say, I think the honourable gentleman from Regina (Hon. Mr. Laird) hit the nail on the head. I suggested in the House on a previous occasion that the loan companies, trust companies and other creditors of the farmers should try to get together with those to whom they have made loans, because there is no other way out of the situation. A loan of $5,000 did not seem very large to a man who was getting $1.60 for his wheat; but at the present time, when he is getting only about one-quarter of that price, he considers it as large as he would formerly have considered a loan of $15,000.

Hon. RUFUS POPE: I do not think that any part of Canada offers a better illustration of the comparative advantages of large farms and small farms than does the Province of Quebec. In parts of that province, in the valleys, the farms have been divided up among the families of the people who originally settled there. They have been a very thrifty people and have lived off their farms

and carried on successfully. In the part of the country where I live, which was originally settled by English people, there are large farms. The land in the valleys where the small farms are situated is worth four times as much as the land where I live. I think the same comparison applies everywhere.

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

TRUST COMPANIES BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 89, an Act to amend the Trust Companies Act.

He said: Honourable members, the purpose of this Bill is simply to widen the powers of the trust companies and enable them to make investments that they otherwise could not make.

Hon. Mr. DANDURAND: Is it to the same end as the other one?

Hon. Mr. WILLOUGHBY: That is all there is to it. I am not prepared to say anything one way or the other as to the wisdom of it.

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

LOAN BILL

SECOND READING

Hon. Mr. ROBERTSON moved the second reading of Bill 100, an Act to authorize the raising by way of loan of certain sums of money for the Public Service.

He said: Honourable members, the Government desires to raise money by loan, as may be required. Following the Loan Bill of 1928, the recent Conversion Loan has greatly reduced the Government's freedom of action. The present Bill gives additional authority to borrow money, on occasion, under the Consolidated Revenue and Audit Act, through the issue and sale or pledging of securities of Canada, in such sums, at such rates of interest and upon such terms and conditions as may be approved by the Governor in Council.

In order that the Bill may be clearly understood, I would add these details. By Chapter 34 of the Statutes of 1928 the Minister of Finance was given authority to borrow $500,000,000. Since then national obligations have been falling due, which by 1937 would have amounted to $1,475,000,000. The Finance Minister and the Government recently determined to take advantage of the lower money rates to negotiate what is now known as the Conversion Loan. By this action, and through the subscriptions of the Canadian people, who converted their Victory bonds into the new securities at a lower rate of interest, roughly $6,000,000 has been saved to the Canadian Government.

Hon. Mr. BEAUBIEN: Annually?

Hon. Mr. ROBERTSON: The annual saving arising out of this Conversion Loan, after November, 1934, will be $6,205,000. It therefore seems desirable to provide for the obligations of the Federal Government falling due up to 1937 and not covered by the raising of the $639,000,000 through the Conversion Loan. These obligations amount to about $817,000,000. This Loan Bill is presented in order that under the provisions of the Consolidated Revenue and Audit Act the Government may raise money as needed to meet these obligations.

It may be of interest to the House to know that there is a provision under which a sinking fund may be set up; but it has not been the general practice to set up such a fund in years gone by.

Section 4 of the Appropriation Act of 1930 provides:

> And whereas there remained on the thirty-first day of March, one thousand nine hundred and thirty, unborrowed and negotiable of the loans authorized by Parliament for the construction of public works and for general purposes, the following sum:—
>
> For public works and general purposes, $182,717,595.20.
>
> And whereas it is necessary to make provision for retiring maturing loans raised for war or demobilization purposes and other maturing loans and obligations of Canada:
>
> Therefore it is declared and enacted, that the Governor in Council may authorize the raising of the sum above mentioned as required.

The purpose of the Bill now before the House is to authorize the raising of money in order that Canada may be in a position to meet her financial obligations as and when they fall due, and that from time to time advantage may be taken of opportunities which present themselves for the raising of money at a low cost to the country. A demonstration of the effect of this is to be found in the negotiation of the Conversion Loan, whereby Canada's interest costs will be materially reduced, as time passes. As other obligations fall due, it may be possible to make further very substantial savings on interest account in consequence of the passing of this Bill at the present time.

Right Hon. Mr. GRAHAM: Can my honourable friend tell the House the amount of outstanding tax-free securities at present?

Hon. Mr. ROBERTSON: The securities falling due from this date to 1937 amount to $1,475,000,000. Of that amount $639,816,000 has been covered by the Conversion Loan, and this Bill will assist in providing for the sum of $817,347,000. The record before me does not indicate exactly what is and what is not tax-free, but I take it that the 5½ per cent bonds were only in part tax-free. If my honourable friend will indicate to me the years of the issues that he has in mind, I can perhaps help him to some extent.

Right Hon. Mr. GRAHAM: I thought that before the third reading, just as a matter of information, it would be very useful to have the amount of tax-free bonds still in the hands of private individuals, and also their dates of maturity. I imagine that the principal tax-free bonds are the 5 per cent due in 1937.

Hon. Mr. GORDON: The '33's.

Right Hon. Mr. GRAHAM: And there are some '31's. It strikes me, however, that the larger part is made up of 5 per cents due in 1937, and also 5½ per cents due in 1937. One issue belongs, I think, to the Victory Loan, and the other to a War Loan.

Hon. Mr. ROBERTSON: To which does my right honourable friend refer?

Right Hon. Mr. GRAHAM: To both. It would be interesting to the country to know exactly the amount of the outstanding liability on which no income tax is paid.

Then there is provision here for the purchase of "unmatured securities." The 1937 non-taxable bonds are, I think, quoted at 107.

Hon. Mr. GORDON: The 1937 5½ per cents are at 111.

Right Hon. Mr. GRAHAM: There should be no such thing as the Government taking this power to call unmatured securities. It surely does not expect Parliament to pass an Act saying that the holders of those securities shall be compelled to sell at the price that happens to prevail at the time of a Conversion Loan. The Bill speaks of "purchasing." In the case of a purchase, both parties would have to be agreeable. I am in favour of the Bill, but I think it would be a good thing for the House to have the information that I have asked for.

Hon. Mr. ROBERTSON: It may be useful to point out that the 5 per cent War Loan maturing on March 1, 1937, amounts to $90,166,000. The record does not indicate whether it is tax-free or not. The Victory Loan maturing on December 1, 1937, amounts to $236,299,000. That is the 5½ per cent loan. I shall endeavour to ascertain, for the information of my right honourable friend, and of the House, which of those issues is tax-free. I should not like to say at this moment.

Hon. Mr. GORDON: I think they are both tax-free.

Right Hon. Mr. GRAHAM: I think they are.

Hon. Mr. DANDURAND: This is an empowering Bill which will allow the Government to finance progressively, and to meet its obligations by issuing securities at the same rate of interest that is paid on the converted securities. All we can do is to give the necessary power to the Government. We can give no direction as to the proper time to buy or to borrow.

Hon. Mr. WILLOUGHBY: That would be a fine thing to know.

Hon. Mr. DANDURAND: It would be a very fine thing to know. Everyone is asking himself when is a good time to buy and when is a good time to sell. Some months ago people who had 5½ per cent bonds which had two years to run were offered an opportunity to exchange them for bonds at 4½ per cent. The question asked by every holder of those securities at 5½ per cent was: "Shall I be able to do better in two years than I can do now? What is the outlook? Will money go up or will it go down?" I know of a wise investor who held some of those bonds and was uncertain as to what he should do. He said, "I will convert half of them and wait for two years to see how things turn out."

Right Hon. Mr. GRAHAM: He is hedging.

Hon. Mr. DANDURAND: If I had had those bonds I should have considered it good business to take the 4½ per cent, because of my feeling that money would get cheaper. It is cheaper now than at the time of the issue of the bonds, which already are at a premium on the market. The rate in the United States at present is less than 4 per cent. I am convinced that as time goes on the Government will be able to redeem its obligations on better terms than it obtained two or three months ago.

Hon. Mr. COPP: How will the saving of $6,000,000 come about, then?

Hon. RODOLPHE LEMIEUX: Honourable senators, I have no objection to this Bill, for the Government is simply continuing the policy that was established by the predecessors

of the present Minister of Finance, namely, Mr. Fielding, Sir George E. Foster, Sir Thomas White and Mr. Robb. In my opinion the public debt of Canada is appallingly large. It is true that the country has tremendous resources and great potentialities, but still there is a limit to the amount which we can safely borrow. During the late Mr. Robb's tenure of office large reductions were made in the public debt, to the great advantage of Canada's credit in the money markets. I hope that the Government will be able to arrange conversions in the future as easily as on the recent occasion. Of course, in view of the terms on which the last loan was offered, it is no surprise that it was absorbed to such a large extent. Sooner or later, the Government, in common with individuals, will have to practise more rigid economy. In recent times we seem to have overlooked the virtue of thrift, but we shall have to come back to it.

The present Prime Minister is a great reformer in matters pertaining to national finance. I listened to a remarkable speech which he made in the other House some three or four years ago in criticism of the Budget. He was then the financial critic of His Majesty's loyal Opposition, and he brought forward concrete suggestions for paying off those huge sums which we were obliged to borrow during the war. One of his recommendations was the creation of a permanent sinking fund. He went so far as to advise that the big trust and insurance companies should be required to invest a portion of their moneys in Government securities at a lower rate of interest than prevailed on the market, and he had even calculated the number of years that it would take to get rid of the war debt if his proposals were adopted.

It is necessary that this Bill should be passed, because the Government must have the power to take advantage of a favourable market to obtain further loans or pay off existing obligations; but I do not see in the Bill any provision for a sinking fund, which would force the Government to make annually, from revenues, an appropriation towards the retirement of the national debt. I am not blaming the Government for the omission of such a provision at this time, but am simply stating that we need to start reducing our enormous fiscal burden. Some years ago France set a good example to the rest of the world, partly as the result of heroic steps taken by Premier Poincaré. A conference of members of both parliamentary chambers was held at Versailles to consider ways and means of creating a permanent sinking fund with a view to the rehabilitation of the franc and the gradual reduction of the public debt. The conference was successful and special revenues were earmarked for the two purposes mentioned. It is true that our debt is not by any means so big as that of France, Great Britain, or any of the other large European countries, but it is very heavy for a young country, and I repeat that the time has come when we must consider seriously the creation of a sinking fund.

Hon. F. B. BLACK: Honourable senators, I am delighted to hear that the honourable gentleman from Rougemont (Hon. Mr. Lemieux) appreciated the suggestions which were made a few years ago by the present Prime Minister, and I can only say that I am greatly surprised that the Government of which my honourable friend was an ardent supporter, and with which he was in very close touch, did not put those suggestions into effect.

Hon. Mr. LEMIEUX: May I remind my honourable friend that the late Mr. Robb, when Minister of Finance, appropriated surplus revenues every year for the reduction of the public debt?

Hon. Mr. BLACK: But he did not create the sinking fund which appeals so strongly to my honourable friend. I would remind my honourable friend that after 1934 the annual saving will be more than $6,000,000, and that saving will be brought about by the action of the present Government.

I understand my right honourable friend from Eganville (Right Hon. Mr. Graham) to say that if this Bill is passed the Government will have the power to redeem the 1937 and other bonds before maturity; but this could not be done, because, unless I am mistaken, the Government has not the option to call any of those bonds before maturity.

With regard to another question raised by my right honourable friend, I am able to tell him that the 1937 bonds which pay 5½ per cent are exempt from taxation.

Right Hon. Mr. GRAHAM: And the 5 per cent bonds too.

Hon. Mr. BLACK: I am not sure about the 5 per cent bonds.

Right Hon. Mr. GRAHAM: I think they are exempt.

Hon. Mr. ROBERTSON: With the permission of the House I should like to make a few additional remarks. There is a provision that the Government may establish a sinking fund at any time. That provision reads:

8. Upon authorizing the issue of debentures of Canada or Canada Dominion Stock under the last preceding section the Governor in

Council may provide for a special sinking fund with respect to such issue, and may, at any time, provide for a general sinking fund for all such portions of the debentures or stock of Canada as have been or are hereafter issued without provision for a sinking fund: Provided that the amount to be invested in any such sinking fund shall not exceed one-half of one per centum per annum on the amount of the debentures or stock to which it relates.

Right Hon. Mr. GRAHAM: Where is that provision?

Hon. Mr. ROBERTSON: That is in the notes explaining the Bill.

Hon. Mr. LEMIEUX: There is no such explanation on my copy.

Hon. Mr. DANDURAND: It is an expression of policy?

Hon. Mr. ROBERTSON: An expression of policy. A sinking fund now exists in connection with certain of the London loans. The principal of the debt thus concerned is $254,000,000. The contribution is one-half of one per cent, or $1,272,263 goes into the sinking fund every year, towards the final liquidation. The total held in sinking funds on March 31 amounted to $59,700,000, of which $3,670,000 was added this year. So the obligations are gradually being paid off. The same principle that was advocated by the present Prime Minister in the speech referred to by my honourable friend from Rougemont (Hon. Mr. Lemieux) was applied in connection with these loans, and it may be adopted to retire borrowings authorized by this Bill.

Hon. Mr. LEMIEUX: That is satisfactory.

Hon. Mr. BUREAU: The provision referred to by the honourable Minister of Labour (Hon. Mr. Robertson) is not in the Bill. The Bill merely states that loans in addition to the sums now remaining unborrowed may be raised for redeeming loans that are outstanding, and for purchasing and withdrawing from circulation unmatured securities, and for public works and general purposes.

Hon. Mr. ROBERTSON: And provision may be made for the establishment of a sinking fund.

Hon. Mr. BUREAU: That is not in the Bill.

Hon. Mr. ROBERTSON: I did not say that it was.

Hon. Mr. BUREAU: Why are not the explanations printed on the right-hand side of the Bill, as they usually are on other Bills?

Hon. Mr. ROBERTSON: Explanatory notes appear only on Bills that are amendments to Acts. This is a new Bill and consequently there are no changes to be explained.

Hon. J. P. B. CASGRAIN: Honourable senators, I heard a discussion among some financial men who suggested that the Government could borrow a lot of money cheaply without any incidental expenses. Their idea was that it should be possible for citizens who have comparatively small sums of money for investment, perhaps from $100 to $500, to apply to a postmaster and get a bond. As the postmasters are already in the Government employ, and post offices are all over the country, no extra salaries or office expenses would be incurred. Applications for bonds could be sent on to Ottawa, and, when the bonds were delivered, the money remitted by the post office to the Government. The scheme might become very successful, once the people got to know about it, and if so a permanent source of money would be provided. I do not know if there is anything worth while in the suggestion, and I am simply passing it on for what it is worth.

Hon. Mr. ROBERTSON: There might be a little difficulty in keeping track of the issues of bonds in such circumstances.

Hon. Mr. CASGRAIN: There might be some difficulty.

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

THIRD READING

Hon. Mr. ROBERTSON moved, with the leave of the Senate, the third reading of the Bill.

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

ROYAL CANADIAN MINT BILL

SECOND READING

Hon. Mr. ROBERTSON moved the second reading of Bill 101, an Act respecting the establishment of the Royal Canadian Mint.

He said: Honourable senators, this Bill provides that the Mint, which has heretofore been operated as a Canadian branch of the Royal Mint in London, shall in future be a Canadian institution, under the Department of Finance. Provision is made for bringing the employees into the Civil Service of Canada, so that they will enjoy the privileges of continuity of employment, retirement and superannuation. I understand that there will be no change in any other regulations or laws

governing the Mint, which will continue to function as in the past. It was established here in 1908, I think, and all honourable members are aware that it has been operated to the entire satisfaction of our people. It has absorbed the mineral production of Canada, particularly gold and silver, and the coining of money here instead of elsewhere has been of benefit to Canada from a financial standpoint.

Right Hon. Mr. GRAHAM: Will it make any difference in the price of silver?

Hon. Mr. ROBERTSON: I am afraid my right honourable friend intends to speculate a little.

Hon. RAOUL DANDURAND: Honourable senators, I remember that when, at the instance of Mr. Fielding, the branch of the Royal Mint was established in Canada, I predicted to him that after it became apparent that it was self-supporting it would soon be taken over by Canada. Time has demonstrated that we can carry on the work of the Mint without any loss to the treasury. The service has been very well performed, and I believe that 99 persons out of a hundred in Canada never suspected that virtually the whole of the staff administering the Ottawa branch were from the Royal Mint in London.

I am absolutely in accord with the policy that is now being propounded by the Government, as expressed in this Bill. I must say, however, that I am not very much enamoured of the five-cent piece—

Hon. Mr. CASGRAIN: The nickel.

Hon. Mr. DANDURAND:—or the nickel, which has been issued to the public during the last three or four years, and for which I must take a share of the responsibility. When it is in one's pocket it feels too much like a twenty-five-cent piece, and, now that we are inaugurating the Canadian Mint, I am wondering whether we may not look for some improvement.

Hon. Mr. STANFIELD: Will all the officials of the Mint be appointed by the Canadian Government, or will one of them, the Master, still be sent from England?

Hon. Mr. ROBERTSON: They will be appointed by the Civil Service Commission, I think.

Hon. Mr. WILLOUGHBY: All except the Master.

Hon. Mr. BEAUBIEN: May I ask the honourable gentleman for some information? I think that the employees of the Mint may elect whether they shall remain under the British Superannuation Act or shall come under the Superannuation Act of Canada. How will that work out in the case of those who wish to come under the Canadian Superannuation Act and have in the past paid under the British Act? Will there be a transfer of reserve?

Hon. Mr. ROBERTSON: I cannot answer that question off-hand. I think a representative of the Finance Department is available and if the House went into Committee he might, with the consent of honourable members, come to the floor and give us the information.

Hon. Mr. CASGRAIN: Do you want to go into Committee to-day?

Hon. Mr. BEAUBIEN: It will be all right if we get the information before the third reading.

Hon. Mr. ROBERTSON: I will undertake to get the information before the third reading.

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

ROOT VEGETABLES BILL

SECOND READING

On the Order:

Second reading of Bill 87, an Act to amend the Root Vegetables Act.—Hon. Mr. Willoughby.

Hon. Mr. WILLOUGHBY: Honourable members, an honourable senator spoke to me about this Bill and intimated that there was a slight amendment that he would like to see made. As he is not in the Chamber, I am going to ask that the Order stand.

Hon. Mr. DANDURAND: We could perhaps take the second reading now, and put the Bill down for committee stage to-morrow. The amendment could be made then.

Hon. Mr. WILLOUGHBY: That is quite agreeable to me. I move the second reading of the Bill.

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

HALIFAX HARBOUR LOAN BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 103, an Act to provide for a further loan to the Halifax Harbour Commissioners.

He said: Honourable gentlemen, when a Bill concerning a harbour commission comes before us there is one thing of which we can be certain, namely, that more money is

wanted. That is the case with this Bill. Perhaps the explanatory note will give as concise a statement of the Bill as it is possible to give. It says:

The Halifax Harbour Commissioners were incorporated by Act of Parliament, chapter 58 of the Statutes of 1927. A loan of $500,000 was authorized by the Statutes of 1928, chapter 28, to construct terminal facilities, and that amount was to meet the total requirements of the corporation for one year from 11th June, 1928, the date of the passing of the Act. A further loan of $5,000,000 was authorized by the Statutes of 1929, chapter 44, to carry on the construction of terminal facilities and to construct such additional facilities as were approved as necessary to properly equip the port. The present Bill is to authorize a further loan of $3,500,000 to the Harbour Commissioners for the same purpose.

Right Hon. Mr. GRAHAM: Do they meet their interest?

Hon. Mr. WILLOUGHBY: I cannot say whether Halifax is meeting its interest or not. Very few of the harbour commissions are.

Hon. Mr. CASGRAIN: Montreal never defaulted.

Hon. Mr. WILLOUGHBY: It is one of the exceptions.

Hon. Mr. CASGRAIN: Nor Vancouver.

Hon. Mr. WILLOUGHBY: I am not sure. According to the last information I had in regard to Vancouver, it was doing fairly well.

Hon. Mr. ROBERTSON: Vancouver is the only one at present paying its interest.

Right Hon. Mr. GRAHAM: Montreal quit.

Hon. Mr. WILLOUGHBY: We all know that it was felt desirable to develop Halifax Harbour as an ocean port, and, in the matter of facilities for loading and unloading, to enable it to compete with ports of the United States. As to whether it is or is not paying its way, however, without having certain knowledge, I would say that it is not.

Right Hon. Mr. GRAHAM: I think you would be safe in that.

Hon. Mr. WILLOUGHBY: If honourable gentlemen want the Bill to stand over—

Hon. Mr. DANDURAND: I would suggest that we give it the second reading now, and that it be taken up in committee, perhaps tomorrow, with the idea of having the engineer of the department supply us with plans so that we may know what is being done in the port of Halifax. As has been stated, $500,000 was advanced in 1928, $5,000,000 in 1929, and now we are being asked for $3,500,000. Undoubtedly all this expenditure must be for the purpose of developing a general plan. I should like to know whether this $3,500,000 will complete the work, or whether we are in for a long pull from year to year.

Hon. Mr. COPP: It is never completed.

Hon. Mr. DANDURAND: I think the Senate would be interested in knowing something about that. I remember that when I was on the other side of the House and moved for a loan of $5,000,000 to the Quebec Harbour Commissioners, we had plans here showing the proposed development and the modus operandi involving the expenditure. In that case $5,000,000 was expended; then, I think, we voted another $5,000,000, in addition to which there was some $2,000,000 for elevators. So a large expenditure was necessary before the port of Quebec was able to accommodate the Empress of Britain at the new wharves near Wolfe's Cove. In that case, however, plans of the project were shown to the Senate by the officials of the department, and we saw that the first undertaking was but a partial development.

I do not know whether the development of the port of Halifax will cost $10,000,000 or $25,000,000. I know that in the case of Montreal we started out with an annual expenditure of a few millions; but the whole plan represented a future expenditure of $100,000,000. I do not know to what extent we are involved at present in the port of Montreal, or what proportion of the total has already been spent. I think the information that I have asked for would be useful in ascertaining whether we are simply voting money piecemeal from year to year or whether it is for a general plan.

Hon. Mr. WILLOUGHBY: I am quite in sympathy with that method of procedure. I think it is most desirable that we should have the information in crystallized form, and I suggest that the committee stage stand over until Thursday.

Hon. Mr. CASGRAIN: Before the motion is put, I think it would be well to inform the leader of the Government in this House that some of us are very desirous of knowing how much money has been spent on the harbour of Halifax during the past twenty years. I understand that the Commission will pay interest only on the amounts that have been lent to the Commission; but in the past various Governments have spent a great deal of money on that harbour. Is that expenditure going to be ignored altogether?

I had occasion to go to Halifax, and saw the works there and the alterations that were

being carried on in order to run the Intercolonial railway back of the town. I have seen also what has been done in the way of expropriating the water-front, and so on. It seems to me that the huge sums of money spent there are not justified by the business done during the winter months. I think it is only fair, therefore, that we should know whether these expenditures are to be forgotten, and how much we have buried in that particular harbour during the past twenty years. I think it will be found that we have treated the dear old city of Halifax pretty well. Forty-eight hours should be quite long enough for us to secure the information desired. Further, I should like to know whether there has been any return on that money. I do not think there has been. I do not know. There may have been sufficient to pay the interest on the amount advanced. We know that it is the policy of the present Government to do away with all these harbour commissions and to administer all the ports from the department under which they come. That may be a very good policy. I do not know. Of course, it would be rather sad for those who are lucky enough to be harbour commissioners. We sympathize with them. Some of them we could take into the Senate, others could go into the other House, and the remainder could find something else to do.

Hon. Mr. WILLOUGHBY: If I can get the proper officer of the department here, I think he will be able to give all the information required.

Hon. Mr. TANNER: I hope the leader of the Government will bring down the exact figures, because if he does, my honourable friend who has just spoken (Hon. Mr. Casgrain) will be amazed to learn how much valuable work has been done at Halifax for so little money.

Hon. Mr. CASGRAIN: That is a good thing.

Hon. Mr. TANNER: My honourable friend talks about money being buried. There is no money buried down there.

Hon. Mr. DANDURAND: It was sunk.

Hon. Mr. TANNER: Halifax harbour is a real asset to Canada; a much greater asset than some other ports of this country. Halifax is an all-year port on the Atlantic ocean; it is not like the ports that are tied up half the year by Jack Frost. It is one of Canada's great national ports of the future, and this country and this Parliament would be well advised to spend sufficient money for its improvement. My honourable friend has been down there and has seen the terminals—

Hon. Mr. CASGRAIN: Wonderful! And the hotels, too.

Hon. Mr. TANNER: —and the immigration sheds—

Hon. Mr. CASGRAIN: And the hotels.

Hon. Mr. TANNER: —and the wharves—

Hon. Mr. CASGRAIN: And the hotels.

Hon. Mr. TANNER: I know that he is impressed, and is not serious in talking about buried money. The work at Halifax was commenced soon after 1911, and by 1914 the port had been developed sufficiently to afford something that Canada needed. I do not know what Canada would have done without the Halifax terminals when it came to sending men and materials to the Great War.

Hon. Mr. CASGRAIN: What about Saint John, New Brunswick?

Hon. Mr. TANNER: The amount being asked for here is $3,500,000. Now, in some mysterious way there has come about a change in the personnel of the Halifax Harbour Commissioners since the 28th of July last. I do not know how it happened. I am informed, and believe, from observations on the ground, that about 90 per cent of this money is required to pay liabilities incurred under contracts entered into by the Commission that went out of office in the fall of 1930. When the present Commission assumed control they were confronted with a bank debt of from one to two million dollars, and consequently they had to curtail very materially their activities. I repeat that this vote is required largely, although not altogether, to liquidate the liabilities that existed before the present Commission came into office.

Hon. Mr. BEAUBIEN: Hear, hear.

Right Hon. Mr. GRAHAM: Honourable senators, I am glad that my honourable friend has spoken of Halifax. I am in favour of doing anything within reason for that port. My honourable friend is entirely wrong when he says that the improvements down there began after 1911. The impairment began after that year.

Hon. Mr. TANNER: I am speaking of the south terminal.

Right Hon. Mr. GRAHAM: As a matter of fact the Minister of Railways expended many millions of dollars on Halifax—

Hon. Mr. TANNER: I quite agree with my right honourable friend that there was a lot of money spent on the north end.

Right Hon. Mr. GRAHAM: It is at the south end that my honourable friend is arguing, but I am dealing with both ends. Halifax harbour has been an object of great interest and concern to the whole Dominion for many years. Nearly all the improvements there in matters concerning transportation, the building of sheds, construction of docks, and so on, were made at the time that the Intercolonial Railway was directly under Government control.

Hon. Mr. TANNER: That is right.

Right Hon. Mr. GRAHAM: At that time the harbour was not managed by a commission. I have always supported Halifax, because it is one of the great ports of this country and of this continent. Honourable senators should remember that the improvement of that harbour is necessary not only for the accommodation of our own traffic, but to enable the port to compete as far as possible with American ports which are eager for a share of the traffic that we should handle exclusively. For some years there has been a policy, which finds expression to some extent in our customs tariff, of encouraging the handling of all the traffic possible through our own ports. As far as I am concerned, if Halifax never pays a cent of interest I am in favour of granting the money. The port is a national one and serves a national purpose. Perhaps it is a good thing that the harbour is managed by a commission. If it were operated under the direction of the Government, there would have to be a straight vote through the Public Works Department, and that would not be so satisfactory from the point of view of our indebtedness.

Hon. Mr. TANNER: Two or three years ago I had the privilege of listening to an argument before the Shipping Board at Washington, when the port of Boston was applying for some preference on freight rates. Some twenty or thirty witnesses were called during the several days that the case lasted, and the applicants endeavoured to show that the trade of Boston had been ruined by the alleged competition of Montreal, Saint John and Halifax.

Hon. Mr. STANFIELD: Honourable members, it is unfortunate for Nova Scotia that Canada did not always have the right honourable gentleman from Eganville (Right Hon. Mr. Graham) as Minister of Railways. I remember quite well the deep interest he always took in our province. In 1911, although the member for Colchester in the other Chamber was in opposition at the time, the Railway Department estimates contained an item for the railway station at Truro. As a result of that vote Truro to-day has the finest station east of Montreal.

Right Hon. Mr. GRAHAM: I saw it this summer.

Hon. Mr. STANFIELD: I simply want to give credit where credit is due. If every Minister of Railways took as keen interest in Nova Scotia as my right honourable friend opposite did we should have had considerably more facilities in that province than we now have.

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

NEW WESTMINSTER HARBOUR LOAN BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 104, an Act to provide for a loan to the New Westminster Harbour Commissioners.

He said: Honourable senators, this Harbour Commission is one of the new entries in the contest as to which can spend the most money —usefully, I hope. The Bill is to authorize a loan of $300,000 to the New Westminster Harbour Commissioners for the purpose of paying outstanding indebtedness, interest and sinking fund and certain additional expenses. From conversations I have gathered that there has been some difficulty in connection with the development of the harbour at New Westminster, but I have no reason to doubt that the undertaking will ultimately be a success. Of course, the port is not historic, as Halifax is. I hope to have a departmental officer here on Thursday when the Halifax Bill comes up for third reading, and no doubt he will be able to supply any information required in connection with this Bill.

Right Hon. Mr. GRAHAM: Yes; the same department handles both.

Hon. Mr. WILLOUGHBY: Exactly.

Hon. Mr. ROBERTSON: It might be added that this Bill evidently contemplates the completion of works already in progress, which have been going on for the last couple of years and will be useless unless completed.

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

CONGRATULATIONS TO HON. SENATOR POIRIER

Hon. Mr. WILLOUGHBY: Honourable senators, we have reached the end of the Order Paper and I think this is an appropriate time to discharge a very pleasant duty that falls to my lot as leader of the House. Our distinguished colleague, Senator Poirier, is now in his fiftieth year as a member of this Chamber. This is a remarkable record and one that perhaps very few of us can reasonably hope to emulate. He still enjoys good health, and he has retained all his well known faculties. His literary taste is as keen as ever, although his production is not so great as it once was. I know something of his abilities as an author, for I have read some of his works which deal with the speech of the Acadians and the original dialects, particularly from the historical and the etymological points of view. It can well be said of him, as of many another French Canadian, that he is a credit to the public life of our country.

It is indeed a great pleasure for me to bring this matter before the House to-day. I am sure honourable members, some of whom have been friends of Senator Poirier for a longer time than I have, will be very glad to take advantage of this opportunity to extend felicitations to him.

Hon. Mr. DANDURAND: Honourable senators, I join heartily with my honourable friend the leader of the Government in congratulating our good friend from Acadie on the completion of fifty years, or thereabouts, of membership in the Senate. Many of us have known him for a very long time. I knew of his reputation as a writer and historian before I entered this Chamber. His works were read to a considerable extent in my own province, and I know that he has readers far beyond the borders of Canada, because I have often heard eminent men in France speak highly of him. For many years he was the sole representative in this Chamber of the Acadians, to whom he has been a great honour. Later on other Acadians have come to join him, and we have been happy to see an increase in the representation of that race here.

I never forget that my honourable friend is my senior in the date of appointment to the Senate. Indeed, he is my only senior here, and that is a fact which increases my interest in him. I keep an anxious eye on him, for I do not want him to leave me for many years to come, and I confess that I rely on his good and sympathetic wife to see that he retains his good health. He is an example to all of us who are desirous of continuing our work inside and outside of Parliament, as long as we have physical vitality and strength of mind. Perhaps he could, if he would, give us a recipe for keeping young so long.

Hon. THOS. CHAPAIS (Translation): I am glad indeed to be able, in the French language, that language which the honourable gentleman from Acadie (Hon. Mr. Poirier) has so well exemplified, to add my tribute to those which the leaders of this Chamber have paid to our very distinguished colleague. He has sat for fifty years in the Senate of Canada. Fifty years! Magnum ævi spatium, I will say with the great Latin historian. Not only is the period a long one, but it is all the more admirable when this magnum ævi spatium has been replete with incessant labour, with fertility of mind, with the production of able works, destined to endure and to reflect credit on him who created them, and on the race to which he belongs.

All honourable members of this Chamber, I am sure, admire as I do the vigour with which our colleague carries his heavy burden of years. The honourable leader of the Left spoke a few moments ago of the intellectual activity that characterizes, and has always characterized, the honourable senator from Acadie, whose fiftieth anniversary we celebrate. His mental alertness and fecundity have not been interrupted by declining years. I have not expressed it well: when the mind remains young and retains its creative faculty there is no decline.

I hope that our colleague will continue for many long years to adorn this Chamber with his presence, and by his renown to honour the noble land of Acadia, which is so dear to him. Much has been said of that memorable fact in Canadian history known as "the Acadian miracle"—the marvellous survival from which, after so many crushing trials, so many tragic and disastrous events, there has sprung up on the shores of the Atlantic that little Acadian race, whose advancement and prosperity are so gratifying to us. Well, to this "Acadian miracle" we can pay tribute in this Chamber, for it is personified in an admirable and striking manner by our honourable colleague, in his fiftieth anniversary, his achievements, his success, his persistence in living on, his survival in works that will perpetuate his memory.

I am sure it is with the perfect accord of all the members of this Chamber that I express to our colleague from Acadie my esteem and my congratulations.

Hon. RODOLPHE LEMIEUX (Translation): It is with much pleasure that I join my honourable colleague from Grandville

(Hon. Mr. Chapais) in heartily felicitating the honourable gentleman from Acadie on the occasion of his fiftieth anniversary in the Senate. My eminent friend from Grandville is quite correct in saying that old age is not a decline. On the contrary, as it has been defined by a famous writer, old age is but a dawning, for it whitens everything.

The honourable senator from Acadia has gloriously reached the summit of parliamentary life, and if to-day he casts his glance back over the plain and recalls the lines of Lamartine—

Adieu l'ombre des beaux jours!
Adieu notre enfance!
La vie est un morne silence
Où le cœur appelle toujours.

(Farewell to the shadow of beautiful days!
Farewell to our childhood!
Life is a dreary silence into which the heart keeps calling.)

—our colleague may feel gratified that, notwithstanding the vacant places all about him, in Acadia, even in this Chamber, he still has a host of friends and admirers, including many who, belonging to a later generation, have perhaps never seen him and know him only by his writings.

It was a great honour for him, a modest official of the House of Commons, to have been chosen for appointment to the Senate by Sir John A. Macdonald himself, one of the Fathers of Confederation. Fifty years ago this young official had already acquired an enviable reputation. He had written the story of Acadia; he had composed what was later to become the national anthem of the Acadians; he had also preached to his compatriots in the Maritime Provinces that policy of racial survival which the honourable senator from Grandville has so well described. To-day it must be a source of pride for him to remember that throughout Acadia the little school children learn by heart the pages of history that he has written. And when he attends the celebrations of the Feast of the Assumption, what must be his emotion on hearing the national anthem that he himself has given to his people! That anthem clearly reflects their racial and religious sentiments. The history of Acadia has, indeed, a religious and French basis.

Before resuming my seat may I tell this Chamber that at the Institut de France I myself witnessed the favourable reception given to the name of the historian of Acadia and the writer who has made known the remote beginnings of the French language in Canada. Indeed, about three years ago, Mr. René Doumic presented to him the gold medal of the French Academy for his literary works.

May I say to the honourable senator that we are proud of him. In the Senate and throughout the country he has always preached national unity, and on this score he deserves well of his country.

Hon. GIDEON ROBERTSON: It is a pleasant privilege to do honour to the courteous gentleman of whom we have been speaking this afternoon. It has been my pleasure to know Senator Poirier quite intimately since my entry into this House about fifteen years ago, and I may say that he has always been characterized by an amiable spirit, an unfailing courtesy, and an ability that has often been demonstrated here. It is a particular pleasure and an honour to play a part at the golden jubilee of his entry into the life of the Senate of Canada, remembering as we do that he is the only member of this House who was appointed prior to the time when Sir Wilfrid Laurier became Premier. We all, I am sure, rejoice in the fact that he has been spared for over half a century to fulfil his duties as a member of the Senate in such an able and acceptable manner, and I am sure we all hope that we shall be able to celebrate with him the sixtieth anniversary of his becoming a member of this House.

Hon. A. B. COPP: As a representative from the same county as the honourable gentleman (Hon. Mr. Poirier) I should like to join with those who have spoken, and extend my hearty congratulations to Senator Poirier upon reaching the fiftieth milestone in his career as a member of this House. I quite well remember some thirty years ago, when I first was interested in politics in our country, looking up to him as one of the leading men of the county. Many times he gave me the benefit of his sage advice. Sometimes I followed it; sometimes I did not. As the last speaker said, we hope that our honourable friend will be with us to commemorate the sixtieth anniversary of his coming to this House.

Hon. J. S. McLENNAN: May I pay my sincere tribute to the qualities of the senator of whom we have been speaking—qualities which are well known to all in this House—and to the extraordinary erudition displayed by him in his remarkable book on the Acadian language, "La Langue Acadienne." To me the book is monumental, in the sense that one reading it can scarcely imagine that anyone living in—I had almost said the wilds of New Brunswick—that anyone living so many miles from the great libraries of the world, particularly those of France, should have been able to acquire sufficient knowledge, and should have had sufficient industry, to

write a book which, by all who are interested in the use of words, has been acclaimed as a most remarkable performance. All this, without subsidies, without private fortune, he was able to accomplish.

I have been told that the senator has the material all prepared for a second volume, but that gross commercial considerations do not permit him to have it printed. I venture to suggest that it would be very fitting for those of us who appreciate his work, and who enjoy the pleasure of his companionship in this House, to make possible, by a joint effort, the publication of that book in readiness for his sixtieth anniversary, an event that I hope we all shall witness.

Hon. C. P. BEAUBIEN: Honourable members, I wish to join with those who have spoken so feelingly of our colleague, Mr. Poirier. I should like to tell him how much I have appreciated his friendship. Senator Poirier, it seems to me, carries with him what in French is so well called "sa petite patrie"—"his little country." I know of no man who is more deeply attached to, or who can better describe, the beauties of l'Acadie. I know of no man who has written of "his little country" more appealingly than Senator Poirier has done. He is a conscientious writer. He has taken infinite pains and has amassed a store of learning such as few persons possess. One thing above all others distinguishes him from his fellows: notwithstanding his years, he has such freshness of soul, such youthful intelligence, such enthusiasm as can hardly be matched by any man of any age. To express my thought I would say with Victor Hugo that if in the eyes of youth there is a flame, in the eyes of age there is a light. His career has been a light, a beautiful light, shining not only in "his little country" and in our land, but across the sea. Few of our compatriots have been decorated for their historical or literary work. Our colleague has so attracted the admiration of the French Republic that he has been awarded the title of Chevalier de la Légion d'Honneur.

From my heart I tender to my friend my congratulations and very best wishes. I trust that he will remain what he is, without change, for a great many years to come.

Hon. J. P. B. CASGRAIN: May I add just one word, having only two seniors in this House, the honourable gentleman of whom we are speaking (Hon. Mr. Poirier) and my leader on this side of the House (Hon. Mr. Dandurand)? I hope I shall be excused from saying much. I suppose every honourable member knows the relationship between the honourable gentleman and myself. It is very difficult for one to speak of one of his own family. Let me say, however, that I echo all the beautiful things that have been said, particularly the remarks of the honourable gentleman from Grandville (Hon. Mr. Chapais), whose speech was a gem. All the speeches, both French and English, were beautiful. I think it ought to give the honourable gentleman great pleasure to know in what esteem he is held.

The book alluded to by the honourable senator from Sydney (Hon. Mr. McLennan) is a wonderful book. I have read it. I am not ashamed to say that I am not through reading it yet. It is so beautiful, and so difficult, that one would imagine that it must have required the labours of a Benedictine monk and the whole of a lifetime to have written it. It refers not only to the origin of the Acadian language, but to the languages of the north and of the south of France. It is a stupendous work and, as was stated by the honourable gentleman from Rougemont (Hon. Mr. Lemieux), the literary authorities of France thought proper to make the author the recipient of a gold medal. All my wishes are that he may remain for a long time in the family.

Hon. PASCAL POIRIER: Honourable colleagues, I suppose that an old man, like a child, should be seen rather than heard. But I must say a few words to express my gratitude, and my appreciation of the honour that you are conferring upon me. I will not say that I am overwhelmed, but certainly I am very deeply touched.

In this friendly manifestation the main feature is age. I happen to have been for fifty years in the Senate. You gentlemen may all have the same privilege. All you have to do is pile years upon years, and then you too will be honoured as I am honoured now.

Hon. Mr. WILLOUGHBY: Carry on.

Hon. Mr. POIRIER: There is no great virtue in that. It is simply a matter of living a well regulated life. A Scotchman who had attained a great age once told me that the main thing to which he attributed his longevity was his choice of whiskey. Of course, I could not contradict him; but I say that what is conducive to old age is an honourable life. This makes me believe that all of you will attain to a great age, for the Senate of Canada is a testimony to the care and wisdom exercised in selecting men.

I will be brief. As I have been a senator for half a century—not sixty years—you may ask me what has struck me most during my career in the Senate. I have seen and met all the great figures—Sir John A. Macdonald of

Ontario, Sir George Cartier of Quebec, Howe of Nova Scotia, Tilley of New Brunswick. It will be remembered that there were threats to abolish the Senate. The Liberal Party, so well represented by my friends to the left of His Honour the Speaker, periodically advocated the abolition of this Chamber, and for a time I myself did not know whether they might not be successful. But the Senate will not be abolished. We have with us the eternal feminine, whose coming here I look upon as the happiest event that has occurred during my senatorial career, and as a guarantee of the continuity of the Canadian Senate.

My alleged merits have been praised far more highly than they deserve. Now, before sitting down, I desire to thank you from the bottom of my heart for this very kind tribute. I shall close with a few words in French. (Translation) I thank you very much for the very kind—the all too kind—words that you have spoken with regard to myself.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. COPP, on behalf of the Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill Q1, an Act for the relief of Lily Adèle Caswell Dyson.

Bill R1, an Act for the relief of Thora Mary Balfry Walker.

Bill S1, an Act for the relief of Marjorie Kathleen Younger Cooper.

Bill T1, an Act for the relief of Frank Godsoe Wilson.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. F. L. BEIQUE presented the report of the Standing Committee on Banking and Commerce on Bill L1, an Act to incorporate Morris Finance Corporation, and moved concurrence therein.

He said: Honourable senators, the Committee prepared its report on the 18th of June, but the Bill was amended to such an extent that the report was not ready for presentation to the House before the recent adjournment. The amendments have been drafted by the Superintendent of Insurance in accordance with the views of the Committee.

The report was concurred in.

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

THE SENATE

Wednesday, July 8, 1931.

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

Prayers and routine proceedings.

PRIVATE BILLS

THIRD READING

Bill 77, an Act respecting the construction and maintenance of a bridge over the St. Lawrence river betwen the Island of Orleans and the coast of Beaupré, in the Province of Quebec.—Hon. Mr. Chapais.

FIRST READING

Bill U1, an Act respecting the Wapiti Insurance Company.—Hon. Mr. Forke.

SECOND READING

Hon. Mr. FORKE moved the second reading of Bill U1.

Some Hon. SENATORS: Explain.

Hon. Mr. FORKE: I have a letter here which will explain the whole thing. It reads:

The charter was taken out in 1929, and I believe we have two years in which to apply for a licence. We were not in a position to ask for this in 1931, and wish therefore to have the time extended to the maximum allowance, and it was for this purpose that the special Bill was presented.

The Wapiti Insurance Company has a charter to write fire, windstorm, automobile and all casualty lines.

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

SUSPENSION OF RULE

Hon. Mr. FORKE: With the leave of the House I would move that Rule 119 be suspended in so far as it relates to Bill U1, intituled an Act respecting the Wapiti Insurance Company. The parties interested in this company are desirous of getting the Bill before a committee as soon as possible, so that there may be time for it to be sent over to the House of Commons before the session closes.

Hon. Mr. WILLOUGHBY: What is Rule 119?

Hon. Mr. FORKE: I think it provides that a certain minimum time should elapse between the second reading of a bill and the consideration of it by a standing committee. I may say that this matter was put into my hands only about half an hour ago.

The Hon. the SPEAKER: It is moved by Hon. Mr. Forke, seconded by Hon. Mr. Tessier, that by leave of the Senate Rule 119 be suspended in so far as it relates to the Bill.

Hon. Mr. LAIRD: What is the rule? What does it provide for? Nobody seems to know.

Hon. Mr. GRIESBACH: The posting of the Bill for one week.

The Hon. the SPEAKER: The rule requires that the Bill be posted before being considered by a committee.

Hon. Mr. SHARPE: Carried.

The Hon. the SPEAKER: Is it your pleasure that the Bill be referred to the Committee on Banking and Commerce?

The motion was agreed to, and the Bill was referred to the Committee on Banking and Commerce.

REFUND OF PARLIAMENTARY FEES

MOTIONS

Hon. Mr. GRIESBACH moved that the parliamentary fee paid in connection with Bill K1, an Act to amend an Act incorporating the Army and Navy Veterans in Canada, be refunded to the solicitors for the petitioners, less printing costs.

The motion was agreed to.

Hon. Mr. McMEANS moved that the parliamentary fee paid by the solicitor in connection with the petition of Eva Trill for a Bill of Divorce be refunded to the solicitor, Mr. J. W. Long, Montreal.

He said: I might say for the information of honourable gentlemen that the requirements in connection with this petition cannot be complied with in time to permit of its being dealt with at this session of Parliament.

Hon. Mr. CASGRAIN: Why refund the fee to the solicitor? Why not give it to the applicant?

Hon. Mr. McMEANS: Because the solicitor paid the money in.

The motion was agreed to.

THE LEAGUE OF NATIONS

ELEVENTH SESSION, 1930

Hon. T. CHAPAIS rose in accordance with the following notice:

That he will draw the attention of the Senate to the activities of the League of Nations at its eleventh session, 1930.

Hon. Mr. FORKE.

He said: Honourable members of the Senate, it seems proper that I should give to this honourable House some statement in connection with the session of the League of Nations, whose deliberations I had the privilege to attend, in September 1930, as one of the delegates of Canada.

The chief of our delegation was Sir Robert Borden. I need not insist before this House on the importance of having a statesman of such repute as the representative of our country at Geneva. He was known as the war-time Prime Minister of Canada. He was the only man in the Assembly of the League who had been a signer of the Treaty of Versailles. Moreover, his wide experience, his mastery of facts, his great knowledge of political, historical and constitutional questions added to his prestige. The Canadian delegation were justly proud of their leader. I should not omit to mention here our lady colleague, the Hon. Irene Parlby, a member of the Provincial Legislature and of the Government of Alberta. Well informed, especially on the social problems, endowed with a remarkable quickness of perception, she is a ready speaker. And all these gifts made her a credit to her province and to our Dominion.

The Canadian delegation comprised also three associate delegates: His Excellency Mr. Philippe Roy, our Minister at Paris, Dr. W. A. Riddell, Canadian Advisory Officer at the League, and Colonel Vanier, Canadian representative on the Permanent Advisory Commission for Military, Naval and Air Questions. Mr. Roy, a former member of this House, is well posted on all European problems; he is a man of upright views and of clear judgment, and enjoys a most enviable situation in diplomatic circles. Dr. Riddell is well equipped for his important functions at Geneva. He has knowledge, tact and firmness of purpose and makes his influence felt in the work of committees. Colonel Vanier, now secretary to the Canadian High Commissioner in London, after having distinguished himself on the battlefield, has attained equal distinction in civil life. He has foresight and fertility of mind, and is a most sympathetic personality.

The secretary of the delegation, Mr. Norman Robertson, an officer of the Department of External Affairs, here in Ottawa, clever, assiduous, painstaking, conversant with all parts of the Assembly's programme, was very efficient in the discharge of his important duties.

The session of the Assembly of the League of Nations, which was opened on the 10th of September, was the eleventh since its founda-

tion in 1920. It brought together the representatives of fifty-two nations. That Assembly at Geneva is the greatest and most imposing parliament of the world. In fact it is the parliament of the world. At that session of 1930 its membership comprised six Prime Ministers, six former Prime Ministers or heads of states, eighteen Ministers of Foreign Affairs, ten former Ministers of Foreign Affairs and twenty-three delegates with a rank corresponding to that of Cabinet Minister. They came from every part of the world: from the Far East and from the Far West; from Europe, Asia, Africa, America, and Australasia; from Japan, China, Siam, Persia, India, as well as from Chile, Peru, Bolivia, Guatemala, San Salvador, Uruguay, and Paraguay; from Belgium and the Netherlands, England and France, Germany and Austria, Roumania and Hungary, Denmark and Norway, Sweden and Poland, Finland and Esthonia, Spain and Italy, Greece and Bulgaria, Czechoslovakia and Yugoslavia, Portugal and Switzerland, and a score of other countries. You could meet there in mutual intercourse representatives of all races, each easily discernible by his varied features and complexion, yellow, black or white.

Many members of that Assembly were men of world fame. One could see negligently bent over his desk, in a familiar attitude, the Pan-European Union promoter, Mr. Aristide Briand, at the head of the French delegation, accompanied by Mr. Pierre Laval, who was to become a few months afterwards the Prime Minister of France. On the third row of benches sat Mr. Henderson, the British Foreign Secretary, with his square shoulders and his strong head, his prestige daily increasing, and Lord Cecil of Chelwood, the flower of diplomacy, one of the brilliant sons of the illustrious Marquess of Salisbury. Nearby, the eye was attracted by the white hair and elegant gait of Mr. Paul Hymans, the clever Minister of Foreign Affairs for Belgium, and by the striking presence of Mr. Carton de Wiart, the former Prime Minister of that country. Pursuing that cursory review of the great Assembly, you could gaze successively at Doctor Curtius, the poised German Minister of Foreign Affairs; at Venizelos, whose name attained such celebrity during the war; at the alert Mr. Politis, Minister of Greece at Paris, one of the best speakers in French in the Assembly; at the venerable veteran of Hungarian politics, Count Apponyi, master of seven languages, who at the age of 84 proved to be a most forcible and eloquent orator; at General Hertzog, the renowned Prime Minister of South Africa; at His Highness the Maharaja of Bikanir, a prince of India, of commanding stature and mind; at Mr. Scialoja, the great Italian jurist and professor; at Mr. Titulesco, the chief Rumanian delegate, who was to be elected President of the Assembly; and at a host of others.

After this glance over the Assembly, would you mind glancing over the city which has been for ten years the seat of the League? Geneva is indeed a beautiful town. She spreads her streets, her buildings, her monuments on both sides of that splendid inland sea, the Leman, which reflects her towers and spires in the shining mirror of its pure and green waters. At the outlet, this mighty river, the Rhone, seemingly impatient of the quietness imposed on its turbulent spirit through the peaceful crossing of the lake, leaps over the barriers which would attempt to fetter its freedom and precipitates its tumultuous course towards the valleys of southern France, where, united with the Sâone, it runs at full speed to merge its waves with the blue waves of the great Mediterranean sea. Raising your head, you are struck with admiration at the sight of the gigantic row of mountains which encircles the lake. Here is the Salève, towering over the beautiful scenery, and farther the wonderful Mont Blanc, erecting in the skies its snowy peaks, which, at sunset, seem glittering with all the hues of the rainbow.

During the session of the Assembly, Geneva, which has become for a while the capital of the world, is a scene of strenuous life and festival animation. The great palaces bordering the "Quais du Mont Blanc et du Président Wilson," where the delegates are quartered, are decorated with the multicoloured flags of the different states. Crowds of visitors enliven the streets and the shops. September is for the Swiss metropolis a month of brilliant buoyancy.

But it is also and mainly a month of arduous work. The session of the League in 1930 lasted four full and busy weeks. Before giving a synopsis of the program which was to be followed, perhaps it would be convenient to give a short sketch of the organization of the League. I know that such information may be deemed superfluous for a great many members of this House. But recapitulation is often useful. Let us remember, therefore, that the League of Nations under the Covenant entered into by forty-two self-governing states in 1920, is composed of three bodies: the Council, the Assembly, and the Secretariat.

The Council primarily consisted of representatives of Great Britain, France, Italy and Japan, to whom were added the representatives of six other states elected yearly by the

Assembly. The four great powers mentioned in the first place were to have permanent seats and the others non-permanent seats. Later on, in 1926, Germany was admitted to the League and was given a permanent seat, and the number of non-permanent seats was fixed at nine, three of those being allotted by the Assembly, every year, to so many states, for a period of three years. Thus the Council now consists of fourteen members. Five—namely, France, Great Britain, Germany, Italy, Japan—have permanent seats and nine non-permanent seats. For three years, Canada held one of the non-permanent seats, its term, as well as that of Cuba and Finland, having lapsed in September, 1930. The three states which were then elected in their stead were Guatemala, the Irish Free State and Norway. The Council is now composed of representatives of Great Britain, France, Germany, Italy, Japan, Poland, Rumania, Spain, Venezuela, Persia, Chile, the Irish Free State, Guatemala and Cuba.

The Council has four regular meetings every year at these different dates: March 10, June 10, August 30, and December 10. When needed, it can be convened for a special meeting. The Council, in some ways, acts the part of the Cabinet in our constitutional governments, whilst the Assembly acts the part of the Parliament. Both can deal "with any matter within the sphere of action of the League or affecting the peace of the world." But the Council has in fact more to do than the Assembly with settling international disputes, because, of course, it is easier to secure agreement in a small body which acts as a committee than in a great one which acts as a parliament. The Council also guides and controls the work of the Secretariat, and of the various advisory commissions and committees of enquiry; it places matters on the agenda of the Assembly, etc.

The Assembly is composed of the representatives of all the states who are members of the League. Each state has the right to be represented by three delegates, but is entitled to only one vote, without discrimination in favour of population, power or wealth. The Assembly meets every year on the second Monday of September. It elects its president, its six vice-presidents; it selects its committees. It debates the questions which are brought to its attention; it adopts, or amends, or rejects the reports made by the various committees. Quoting the words of a learned professor, I would say that "the Assembly is the true driving force of the whole machinery of the League; in short, it does that which in a national state is done by parliament."

The third body in the League of Nations is the Secretariat. It might be compared to the Civil Service in our governmental organizations. At the head of that important body is the Secretary-General, Sir Eric Drummond, a most able and efficient executive officer. He may be considered as one of the mainstays of the League. He directs the activities of the whole administration. The Secretariat is divided into many sections or departments, the main ones being: the Health Section, the Legal Section, the Treaty Registry, the Disarmament Section, the Mandates Section, the Political Section, the Social Section, the Economic and Financial Section. The Secretariat includes also the various technical services, upon which the sections all depend: the translators, the interpreters, the typists, the reporters, the indexers, the proof-readers. In the huge Secretariat building may be seen at work hundreds—one document says five hundred men and women—belonging to perhaps forty nations, drawn from every clime and from every race, working together for a common purpose.

This rapid survey would not be complete if I did not at least mention two institutions connected with the League: the Permanent Court of International Justice, and the International Labour Organization. I shall have by and by to add a few words about the former.

Two days before the opening of the eleventh session of the League's Assembly, the Council held its sixtieth session. It lasted from the 8th till the 12th September. "In addition to the usual routine in connection with the work of the Assembly, the Council was occupied with adjustment of a number of political differences, with the election of members of the Economic Commission and Economic Consultative Committee and of judges to the Permanent Court of International Justice, with the problems of health, opium and refugees, of penal reform, traffic in women, and intellectual co-operation." Later on the Council held its sixty-first session from September 17 till October 3.

As we have already seen, the Assembly opened its eleventh session on September 10. Mr. Nicholas Titulesco, first delegate of Rumania, was elected President. Six vice-presidents were also named. Then the work of the session was allotted, as in former years, to six committees as follows: the first, to deal with constitutional and legal questions; the second, to deal with the work of the technical organizations; the third, with the reduction of armaments; the fourth, with the organization of the Secretariat and League's

finances; the fifth, with the social and humanitarian questions; and the sixth with political questions. These preliminaries occupied the first meeting of the Assembly. The six committees proceeded to their organization and elected their chairmen, who became, ipso facto, vice-presidents of the Assembly. Canada had the honour to see its first delegate, Sir Robert Borden, elected as chairman of the sixth committee. The general committee of the Assembly was thus composed of the President, of the six vice-presidents elected by the Assembly, of the six vice-presidents, chairmen of the committees, and of Sir Eric Drummond, the Secretary General.

At the third plenary meeting of the Assembly began what I should be inclined to call the debate on the Address. At the beginning of each session at Geneva a report is submitted on the work of the League since the preceding session. That report might be likened to our Speech from the Throne. And it is always debated at length, a similarity with the long discussion on the Address in our popular Chambers.

On the 11th of September, 1930, the debate on the report was begun. And we were delighted to see that Sir Robert Borden had been asked to be the first speaker. Allow me to quote his own humorous mention of the incident. In a lecture delivered at Ottawa on the 17th of November last he said:

> There were not many in the Assembly who had been present at the Peace Conference in Paris, in 1919; and on the afternoon before the opening of the Assembly it was suggested to me by Sir Eric Drummond that it would be appropriate to have me begin the debate. I hesitated, and then with the rashness and inexperience of youth, I accepted, as I knew that at some time I must break the ice. Accordingly, I said to Sir Eric Drummond that I would speak for not more than ten or twelve minutes. . . . Behold me, newly arrived and venturesome, facing fifty-two nations gathered in the Assembly.

I need not tell you that Sir Robert could confidently face even such an awe-inspiring audience. But I can assert that it is no small trial to break the ice before this great parliament of the world, comprising a commanding array of renowned statesmen, of mighty leaders in diplomacy and international politics. Sir Robert Borden in his speech recalled the memories of eleven years ago, when he returned from Europe to his own country with a feeling of profound depression. The atmosphere of the world was oppressive, almost stifling. Men cried, "Peace! Peace!" when there was no peace. After ten years, it was an inspiration to see that Assembly of the Nations in full and intimate conference, consecrated to the cause of peaceful arbitrament and the enthronement of public right among the nations. At Geneva they were in the kindergarten of peace, and already they had learned many a useful lesson. But there were others still harder that were yet to be learned. Sir Robert spoke of the Briand-Kellogg pact, which had been a memorable step towards moral disarmament in leading the nations to renounce war as an instrument of national policy. Yet, notwithstanding this splendid moral renunciation, armaments continued to oppress the nations. To-day, the world was expectant. Sir Robert Borden's speech was highly commended and received with loud applause.

The Canadian first delegate was followed at the tribune by no less a man than Mr. Briand. The French statesman is the foremost orator of the Assembly. He has been styled the "premier ténor de la Ligue." He always commands a full house and full galleries. Undoubtedly, he is a master of oratory. When you see him, with his bent shoulders, his careless dress, his sluggish bearing, ascending clumsily the steps of the tribune, you would never imagine that in a few minutes that man is going to catch the passionate attention and stop the breath of the most splendid audience in the world. But wait a moment, and he shall achieve the feat. Mr. Briand has a deep voice, compared sometimes to the sound of a violoncello; his oratorical action is full of life; he speaks with his eyes, his arms, his shoulders; he feels the pulse of his audience and moulds his speech accordingly; he is plausible, familiar, earnest, now easy-going, then impassioned and vehement. In the speech which he made that day he mainly treated the paramount question of the European federation. A preliminary meeting of twenty-seven states had taken place at Geneva a few days before. Mr. Briand had been elected chairman, and he endeavoured to show that his scheme was in no way intended to minimize the influence and jurisdiction of the League, as it had been insinuated; that, on the contrary, it should work within the League and under its ægis. He stated that the twenty-seven states whose representatives had met to discuss the matter, whilst differing on some points, had agreed "that close co-operation in all international activities is of capital importance for the maintenance of peace." And he wanted the League to tell them: "Go forward. You are on the right road; you are marching towards peace."

The debate was continued by Mr. Henderson, the British Foreign Secretary. He made a strong speech and was greatly admired for

his clear presentation of facts and his forcible comments on disarmament. From this moment he was looked upon as one of the leading minds of the Assembly. A great many speakers took part in the debate, which was prolonged over eleven sittings. I shall not attempt to give you even a summary of the numerous speeches delivered by the thirty-nine delegates who made themselves heard. As usual, some were very good, and some not so good. I should like only to mention specially the speech of Count Apponyi, the first delegate of Hungary, who at the age of 84 spoke in perfect French for an hour, with great eloquence.

I should perhaps mention here that the two official languages of the League are the English and the French. But other languages may be used. All speeches are translated immediately into French or English, as the case may be. The League has a wonderful body of translators, men and women.

Speaking of the language of debate, Sir Robert Borden made the following remarks in the lecture already quoted:

> The translation may on occasion be condensed into one-quarter of the time actually occupied by the speech.

And he goes on to state:

> About four-fifths of the delegates speak in French, one-fifth in English. A brief experience at Geneva convinces me of the immense value of a knowledge of French. It was impressive to hear the delegates of all the countries of continental Europe and of South and Central America as well as those of Persia, Liberia, Albania and Abyssinia express themselves fluently in that language. Many of the European and American delegates also spoke English, some of them half a dozen languages.

The general debate was closed on the 16th of September. Then the committees began to sit and work. There were two sittings every day, one in the morning and one in the afternoon. As a rule each delegate was a member of two different committees. A review of the agendas of the six committees will give you an idea of the activities of the League.

The first committee (for legal and constitutional questions), whose chairman was Professor Scialoja, had to deal with the Statute of the Permanent Court of International Justice; with the ratification of conventions concluded under the auspices of the League of Nations; with the amendment of the Covenant, or the pact whereby the League of Nations had been created; and with the codification of international law.

The Permanent Court of International Justice was constituted in 1921, in compliance with Article 14 of the Covenant of 1919. That Court sits in the city of the Hague, and all

controverted questions and cases arising between different nations may be heard and decided upon by that body. The benevolent and pacifying influence of such an institution has been asserted more than once, specifically in litigations between France and England; between England, France and Italy on one side and Germany on the other; between England and Greece; between Poland and Czechoslovakia; between Germany and Poland; and so on. After ten years, in 1929, it was felt that certain changes in the organization and composition of the Court were desirable. These changes had been recommended by the Assembly at its session of 1929. But, some difficulties having arisen, the first committee, at the session of 1930, received instruction to study the question and endeavour to find a solution. The result was a report proposing the adoption of some amendments of the original statute. Under these amendments the number of judges of the Permanent Court of International Justice sitting at the Hague, was increased from eleven to fifteen; the four deputy judges were maintained; the salaries were raised to 60,000 Dutch florins for the Chief Justice or President of the Court and to 45,000 Dutch florins for the others; and a system of pensions for the judges was enacted. The report was adopted by the Assembly, which, later on, had to proceed to the election of the judges; for such is the mode of appointing the members of the high tribunal. They are elected by the Council and Assembly, acting separately. Any candidate who secures an absolute majority in each body is elected. The term of office is nine years. In 1930 this term lapsed, and the election took place on the 25th of September. On the first ballot fourteen judges out of the fifteen were elected. But it took twelve ballots to elect the fifteenth. The Permanent Court of International Justice is now composed of representatives of these different states: France, Germany, England, Italy, the Netherlands, Belgium, the United States, China, Poland, Rumania, San Salvador, Colombia, Japan, Spain and Cuba. I have spoken at some length of this great international tribunal on account of its importance in the wheelwork of the League.

The first committee considered also the question of ratification of the League conventions by the different states. A resolution was unanimously approved, setting forth the steps that might be taken to increase the number of ratifications of treaties signed under the auspices of the League. An amendment of the Covenant in order to bring it into

harmony with the Briand-Kellogg pact was discussed by the same committee. But no definite solution could be adopted. As for the codification of international law, it was recommended that the Council invite the governments to communicate their observations in regard to future work.

The second committee went deeply into the study of economic policies. The questions of free trade, of protection, of preference, of anti-dumping measures, were freely discussed. On some points the opinions expressed were widely divergent. The Canadian delegate, Dr. Riddell, took a firm stand and was instrumental in the framing of the report.

The third committee had to deal specially with the burning question of the reduction of armaments. The rather non-committal report which was presented to the Assembly was the occasion of a debate on which I shall say more by and by.

The fourth committee had to discuss the budget of the League for the year 1931. That budget might be subdivided as follows: Secretariat and special organization, 17,091,586 gold francs; International Labour Organization, 8,661,652; Permanent Court of International Justice, 2,712,668; buildings at Geneva, 2,170,822; pensions, 1,000,773; total, 31,637,501 gold francs. The share of Canada in the contribution to that budget of expenses is approximately $205,000. The Canadian delegates could proudly state that there were no arrears chargeable to our Dominion. Some states members of the League could not say as much.

The fifth committee, presided over by Countess Apponyi, the wife of the veteran Hungarian statesman, made a thorough study of the questions submitted to its consideration. On the subject of penal administration it recommended that a set of standard rules prepared by the International Prison Commission, and indicating the minimum conditions that should be observed in the treatment of prisoners, should be submitted to all governments for their observation. On child welfare enlightened views were expressed and the committee noted the progress made in such questions as the protection and education of the blind child, and the auxiliary services of juvenile courts. On the question of traffic in women and children the committee was happy to note that, during the last year, several countries had abolished, or taken new steps towards the abolition of, the system of licensed houses. As for the traffic in opium, the committee devoted much of its time to a consideration of two methods for dealing with the problem, "A wider and stricter application of the Hague and Geneva Convention, and the limitation of manufacture by international agreement." One of the Canadian delegates, the Hon. Irene Parlby, made an interesting contribution to the discussion, giving an account of some of the methods employed in Canada to deal with the problem of narcotics.

The sixth committee discussed at great length the question of minorities. Marked differences of opinion were notable. It was stated that minority questions should never be allowed to weaken the unity and integrity of states; but, on the other hand, that they may involve peace and should therefore most vigilantly be taken care of by the League. Sir Robert Borden stated "that the best course is to afford to minorities every constitutional and reasonable right and at the same time to impress upon them their duty to co-operate." The question of slavery was also debated. The creation of an international slavery office, proposed by Lord Cecil, was not agreed to, and the committee adopted a resolution to postpone until next year the consideration of any change in the procedure now in force.

As we have already stated, all the reports made by the various committees had to be submitted to the Assembly for final consideration. Some were the occasion of considerable debate. The most interesting of these discussions was the one which was called forth by the report of the third committee on the question of disarmament. That report had been carefully and cautiously drafted. But it was well known that the question had been hotly discussed in committee, and a lively time might be expected on that subject in the Assembly. A great many members, including those of the British delegation, were of the opinion that France was not moving fast enough towards disarmament, and by such reluctance was impeding the work of general pacification. On the other hand it could be presumed that France would have something to say on that very critical subject. The report of the third commission was submitted on the 30th of September. As on a previous occasion, Sir Robert Borden was asked to open that ominous debate. It was a great and perilous honour. The first Canadian delegate, I am proud to say, was equal to the occasion. He spoke his mind with the most courageous frankness. He said:

I would remind you once more of what has been so often recalled to you, that it is ten years and more since the League of Nations undertook what I conceive to be one of its greatest tasks. It is my duty, also, to enquire to what extent its efforts for disarmament have been crowned with success. I recognize fully the difficulties of governments. I was leader of a

government myself for a good many years. I realize the complications that exist in Europe and elsewhere, and I recognize the earnestness of the efforts which have been made to carry out this purpose of the Covenant of the League of Nations. Nevertheless, I ask you, and I think the world is asking you to-day, whether the result up to the present time has been commensurate with the effort. The report speaks of mutual confidence. We have renounced war, have we not, by solemn engagement? To what end does the maintenance of enormous armaments still continue? Our engagement was solemn and sincere, was it not? Shall it not find expression in something more enduring than words, something more effective than what has been proposed up to the present?

And then, in deep and moving tones, Sir Robert uttered these solemn words:

Gentlemen, I must say with all respect that in this regard the League of Nations stands to-day at the bar of public opinion.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. CHAPAIS: I cannot describe the impression made on the Assembly by such an utterance. A moment of profound silence was followed by a storm of applause.

But, of course, there would be an answer, and that answer would come from the French delegation. And now you could see Mr. Aristide Briand walking slowly towards the tribune. Whatever may be thought or said about that political man, whatever estimate may be made of his character and of some of his past deeds, it must be acknowledged that at Geneva his fine oratorical gifts make him a most effective representative of his great country. He began by saying that, of course, the present problem was one of the gravest that could claim the League's attention. He expressed the wish that he might be free to envisage it from a purely moral standpoint, immune from all feeling of responsibility. He added that the Assembly could not fail to realize that there are some countries, less fortunately situated in the world, which are compelled to take notice of certain rumors that reach their ears. If governments paid no heed, they would be unworthy of their charge, unworthy to have assumed such solemn responsibility. He said:

It is a representative of France who stands before you, and you will allow him to express himself in such a manner as to leave no possible misunderstanding as to his country's attitude on this question. We French have always said that Article 8 of the Covenant constitutes for all signatory countries a solemn undertaking that must be kept. Under what conditions? Under the actual conditions laid down in Article 8, namely, that there must be no hesitation in reducing and restricting armaments to the limits of guaranteed security. The three terms of the problem, for all nations and for the Assembly, have always been: Arbitration, Security, Disarmament.

This was the leitmotiv of all Mr. Briand's wonderful speech. "Arbitration, Security, Disarmament," such was the progression which would have to be followed urgently in order to reach the glorious goal so ardently longed for. France had done her best to make arbitration founded on mutual good-will the law of all nations. Mr. Briand reminded his hearers of what had been said and settled at Locarno. He recalled the Briand-Kellogg pact for the renunciation of war. France had strenuously led the way in that direction and she had done more. She had disarmed as much as she could.

I am here to say so, said he, for unfortunately if the parties directly concerned do not plead their own cause, they can hardly count on others to do it for them. Before the war, in 1914, France had a big and powerful army.

Here, the orator made a pause; then in a low and thrilling voice he added:

Circumstances, alas! have compelled us to make use of it.

And at those simple words uttered in tremulous tones, the audience felt something like a shudder, as if the bloody picture of the calamitous war had appeared on the wall, recalling the dreadful havoc, the million and a half of young Frenchmen mowed down in the flower of their youth, the wealthy and industrious departments devastated, the beautiful towns and splendid monuments destroyed, the once fertile fields sown with the murderous seed of deadly shells. It was the most moving evocation. Then Mr. Briand went on. In 1914, the home and overseas forces of France amounted to 810,000 men, and the term of military service was three years. Since the war that term had been reduced successively to two years, then to twenty months, then to eighteen months, and finally to one year. And the number of men in the French armies had been reduced to 556,000 men (including the air force). As a matter of fact, France had disarmed in the proportion of 41 per cent. But could she not go further? Here Mr. Briand made a striking point. A general election for the Reichstag had just taken place in Germany; the Nationalist Party, headed by Mr. Hitler, had been frightfully successful. During the campaign Hitler and his lieutenants had made the most fiery and menacing speeches, inflamed with the spirit of revenge. And at the news of the Nationalist Party's success, consternation had reigned at Geneva among the members of the League. Mr. Briand did not fail to comment on these disquieting incidents.

Not long ago, said he, just when I was uttering none but words of concord, words for which I am sometimes bitterly blamed, words of conciliation and co-operation—at that very

moment clamours from the polling-booths penetrated to my ears, and cries of hatred and of death were the response that reached me. Must we ignore them? Must we disregard such occurrences?

And, turning his eyes toward the Canadian delegation, he went on:

In such a case, I say, are not those who may be threatened at some future date entitled to reflect, and in a gathering such as this, have they not a right to turn to the nations with nothing to fear, who live in a state of blissful well-being remote from danger, and to say to them: "We are brothers, all of us here in this Assembly. Leave your heights of security, come down into the valley, come nearer, listen to what is going on, and say if we are not justified in showing caution"? I feel certain that in their inmost hearts, after a careful study of the events to which I have just referred, they will be the first to say: "Yes, the doctrine of the League, based on arbitration, security and disarmament, is the true doctrine, the most sure and sound, the only one that a country worthy of the name should ever consider." But it might be said: "Can nothing more be done?" Yes, the nations must concert their efforts, after achieving such conditions of security that there shall be neither dupes nor victims.

That great speech of Mr. Briand seemed to have cleared the atmosphere. The report of the third commission was adopted nemine contradicente. And it was decided later on that a great conference of the powers, on disarmament, should be held in 1932. May I say that the Canadian delegation were much elated at the fact that their chief had taken such an important lead in that momentous debate.

I beg the forgiveness of my colleagues for having detained them so long. I have tried to give this House an idea of the work that is being done at Geneva and of the ways of doing it. Now, one may ask, as it has been asked often, and as it will be repeatedly asked again, what shall be the result of all that, of all those meetings, of all this committee work, of all those debates, of all that machinery, of all that expense? I will not pretend to give an adequate answer. On that subject I am neither optimist nor pessimist. I should not feel inclined to affirm that the League of Nations can boast, at the present moment, of decisive achievements. But I would demur to admit that she has no achievement to be credited with. She has not yet made future wars impossible. She has not yet freed the nations of the crushing burden of armaments. She has not suppressed national prejudices nor national ambitions. She has not established universal security and universal harmony. But she has prevented dangerous conflicts; namely, between Italy and Greece, between Poland and Lithuania, between Finland and Sweden, between Germany and Poland, between Great Britain and Turkey, etc. etc. She has set up that great judicial tribunal, the Permanent Court of International Justice. She has given birth to that other important body, the International Labour Organization. She has instituted useful international organisms to fight slavery, the dope disease, the white slave trade; to promote health and hygiene; to facilitate transit and transportation, etc. etc. And over all she has created an international spirit which can do much to solve the great problems of the day. Would it be possible that such mutual and friendly intercourse between political leaders, between influential statesmen coming from all points of the world, debating questions, exchanging ideas around the committee table, learning and studying one another's viewpoint, meeting daily during a succession of weeks in social amenities—would it be possible that all that should not enlighten those leaders, should not broaden their minds, should not foster better understanding, should not be conducive to more active good-will, should not, in a word, pave the way towards that blessed hour when war would be an obsolete word, meaning solely the hateful remembrance of tragic ages?

Would that be only a happy dream? That may be. But, at all events, the international effort of which Geneva has been the scene for the past ten years is not a contemptible attempt, and it deserves the sympathy of all the true friends of peace and of humankind.

Hon. RAOUL DANDURAND: Honourable members of the Senate, I should like to be permitted to congratulate my honourable friend on the splendid picture that he has given us of the last Assembly of the League of Nations. I must say that I was elated when, in August of last year, I learned that Sir Robert Borden and our talented colleague were to be the chief delegates of Canada to the League. I wrote to them wishing them success, and I remember saying to Sir Robert that it was fitting that he, having obtained for the Dominions the right to sit in Council, by his gallant struggle in Paris in 1919, when the Covenant was being put into shape, should live his own dream, even if it were only in the last days of the three years during which we had a seat in the Council of the League.

Sir Robert Borden had succeeded in winning recognition for the principle that the Dominions had the right to a seat in Council, and I was most happy to find that he would be there, even as our term was about to end, to see the Council in action and to participate in its deliberations. He had full experience

and knowledge of the difficulties that surrounded European problems; and by his side sat a noted Canadian historian, the honourable senator from Grandville (Hon. Mr. Chapais), a gentleman with considerable insight in international affairs. For years our friend wrote a monthly review of the situation in Europe, which I made it my duty to read and to ponder over. Our honourable friend knew very well, from afar, and had been able to give a proper perspective to, the problems that he would have to study in Geneva. Honourable gentlemen can judge for themselves as to the brilliancy of our delegation and the success that it met in Geneva at the last Assembly.

Hon. J. P. B. CASGRAIN: Surely someone will continue this great debate. It would be a pity to let it fall flat. There must be shades to all good pictures. Let us have the shades to this one.

Now for the bouquets for the honourable senator for Grandville (Hon. Mr. Chapais). He is a past master in the art of oratory. I was watching him to see whether he would tell us what the chief of the Canadian delegation, Sir Robert Borden, said, namely, that when he went back to Geneva after an interval of ten years he inquired, "What have you done for disarmament?" Sir Robert said, "The League of Nations is to-day at the bar of public opinion," and I admire him for saying that. It is absolutely true. I have no hostility towards the League of Nations; on the contrary, I have the kindest wishes. But the whole thing is a dream, a beautiful dream. So long as human beings exist there will be fighting. When there were only two men on earth one had to kill the other. Why not face the fact, and come down from the clouds? I often have referred in this Chamber to the wonderful work by l'Abbé Saint-Pierre, consisting of twenty volumes. He advocated a Union of Christian Princes and the abolition of war. His plan provided that if a war occurred in one kingdom the armies of the other kingdoms would soon put an end to the fighting. And that proposed Union was superior to the League, because the League has no army and no police. If it is a good plan for the countries of the world to abolish their armies and navies, why should not the cities of the world do away with police forces, and let public opinion be in control?

I do not want to be critical at all. Many people get a pleasant trip to Geneva, and they are always willing to go back there again if they are asked. My honourable friend gave such a fine description of the beautiful environs of Geneva that I am going to send a copy of it to Baedeker, because it is far superior to any description that Baedeker ever published. He forgot only the bubbling wines of France and the five hundred stenographers who are at Geneva, with the lovely silk hosiery. He ought to read the book by l'Abbé Saint-Pierre.

Hon. Mr. CHAPAIS: I have read it.

Hon. Mr. CASGRAIN: And he would see another beautiful description there. My friend also referred to the very able translators, of whom I think there are some five hundred at Geneva. Well, they have been there more than ten years, but they have not yet translated these three words, "frais de représentation." If any honourable members present can translate them I should be glad to hear their version. As I have stated several times in this House, the words represent money for night suppers, champagne and a good time. Sir Eric Drummond receives a colossal salary, and in addition he gets almost an equal amount for frais de représentation, so that he can give many people a good time.

I suppose all honourable members are aware that in the last ten years Canada has made an annual contribution of approximately $200,000 to the League of Nations. Out of that sum about $80,000 is given to Mr. Albert Thomas and his Labour Organization, and no accounting is required. Why is he given that sum? For creating trouble throughout the world. He is a notorious Socialist who at the time the Bolsheviks started their revolution was running bareheaded through the streets of St. Petersburg. France apparently thought that it would be a good thing to send a Communist to the Communists. He went and told Mr. Maurice Paléologue, the French Ambassador at St. Petersburg, a most distinguished man, that the French Government was going to replace him.

Now, we still are waiting to hear what, if anything, the League of Nations has done in the last ten years.

RELATIONS OF SENATOR WITH DOMINION GOVERNMENT

APPOINTMENT OF SPECIAL COMMITTEE

On the notice of motion:

By the Honourable Senator Pope:

That a special committee of members of the Senate be appointed to enquire into and report upon the matters mentioned by the Hon. N. A. Belcourt at the sitting of the Senate on June 16, 1931, and appearing in the Debates of the Senate of that date, in regard to the purchase by a department of the Government of copies of the publication "Canada," and also

to consider and report upon the association of the said Hon. N. A. Belcourt in the said matters and what action, if any, should be taken by the Senate in regard thereto.

Hon. GEORGE GORDON: Honourable senators, I was absent from the House on Monday evening when the honourable leader on the other side (Hon. Mr. Dandurand) produced some papers for which I asked. Among them was a letter that had been written by the publishers of the newspaper Canada to the senior senator from Ottawa (Hon. Mr. Belcourt), but no reference was made to the reply, if any, that was sent to that letter. Now, I think that in fairness to the senior senator from Ottawa the reply should be produced, and I should like to ask the honourable leader on the other side if he will have it placed on Hansard. I think it is obvious why this should be done. The letter that has been placed on record contains, in my opinion, an improper proposal, and in all probability the reply made by the senior senator from Ottawa would show that this was not the proposal he had accepted.

Hon. Mr. DANDURAND: Do I understand that my honourable friend is now asking for further information before the motion is moved?

Hon. Mr. GORDON: Yes.

Hon. Mr. DANDURAND: I may say that on Monday evening, the 6th, inquiries were made by the honourable gentleman from Pictou (Hon. Mr. Tanner) and the honourable gentleman from Saskatchewan (Hon. Mr. Gillis). These inquiries appear on page 312 of Hansard, and I have answers to them, which I shall read. These answers may give the information desired by my honourable friend from Nipissing (Hon. Mr. Gordon).

Hon. Mr. GORDON: Has my honourable friend the reply that was made to the letter of the 8th of April, 1927?

Hon. Mr. DANDURAND: I shall give my honourable friend the answers that I have here, and they may satisfy him. The questions asked by the honourable gentleman from Pictou (Hon. Mr. Tanner) were as follows:

Will the honourable leader tell us who signed the contract?

Did Senator Belcourt sign the contract for his principals?

I am interested only because of the suggestion of my honourable friend here (Hon. Smeaton White). I am wondering whether Senator Belcourt appears to be the principal in the contract. It would seem so, from what my honourable friend has read.

Are we to understand that he concluded the contract with the Government—that he signed some document?

I think we ought to have the contract, or the correspondence.

The answer to the question, "Did Senator Belcourt sign the contract for his principals?" is no. The agreement with the department consisted of a letter from the head of the department agreeing to take 2,200 copies of the paper monthly for one year. The agreement was the result of an application made and addressed by the company to the Publicity Branch long before the senior member for Ottawa was offered a fee to carry on negotiations; that is, before he had anything whatever to do with the application. Before the senator had anything to do with the matter the company had been promised by several of the departments orders, for which the company had previously applied, for a substantial number of copies.

The letter of acceptance by the department is dated the 9th of December, 1927, and reads as follows:

My dear Senator Belcourt;

Knowing that you have been acting for Mr. Lefroy, I wish to pass on the decision of the Advertising Committee arrived at yesterday afternoon with regard to the publication "Canada." After going very carefully over all the merits of the magazine when placed in the reading rooms, and taking into consideration the amount of money that the various departments had to spend, it was felt that approximately $20,000 was the most that we could justify for this one periodical.

It was therefore decided that:

	Copies
Immigration should subscribe for..	1,000
Trade and Commerce for..	600
Agriculture for..	300
Interior for..	300

making a total of 2,200 copies at $9 per copy, amounting to $19,800.

Mr. Lefroy's original proposition was that if the Government of Canada would subscribe for 3,000 copies, he would place 6,000 in the reading rooms of England, taking care of the other 3,000 himself. In other words my impression was that he would sell them to subscribers, or otherwise provide for their payment.

During conversation with Mr. Lefroy recently he informed me that he proposed to ask the assistance of the Provincial Governments in the sale of his subscriptions, which in my opinion is quite out of line with his original proposition.

However, after reviewing all these facts, we decided that for this year we would subscribe the amount mentioned from the various departments mentioned, in consideration of which we expect Mr. Lefroy will place in the reading rooms of Britain the number of copies which we actually subscribed for, and an additional number of copies equal to the amount which we subscribed for. This decision was agreed upon unanimously by the members of the Advertising Committee, and Mr. Chisholm took a note of the same.

There was at no time any formal or other agreement or contract with the department. The senior member for Ottawa did not at any time sign any contract or agreement for, on

behalf of, or as the agent or otherwise for the newspaper company.

The agreement was one exclusively between the newspaper company and the department. There was no other party to it.

The senior member for Ottawa never was in any way, directly or indirectly, a party to such agreement. He took no part in it and was in no sense concerned with it.

Hon. Mr. LAIRD: Who made the latter part of that statement which the honourable gentleman has just read?

Hon. Mr. DANDURAND: This is a statement which I procured from the senior member for Ottawa. He is not in his place when these matters are being discussed, and the comments I have just made, following the reading of the letter, came from him.

Hon. Mr. GRIESBACH: Who signed the letter?

Hon. Mr. DANDURAND: The letter of acceptance from the department is dated the 9th of December, 1927. I surmise that it came from the Department of Trade and Commerce, but I am unable to tell at the moment who signed it.

The question asked by the honourable gentleman from Saskatchewan (Hon. Mr. Gillis) was this:

> May I ask the honourable gentleman a question? Is there a single case where money was paid directly by any department of the Government to any of those solicitors who acted for their clients?

I did not clearly understand the purport of the question, and perhaps the answer I made at the time was not very clear. I simply said:

> Well, I know that members of Parliament are precluded from acting for the Government in the various activities of the departments. Now, if we lay down a rule, shall we declare that they shall likewise be precluded from giving advice or rendering service to clients who have business with those departments, and therefore precluded from receiving fees from their clients?

I did not clearly understand the meaning of my honourable friend's question. The answer which I now desire to lay before the Senate is different.

Hon. Mr. LAIRD: Whose answer is it?

Hon. Mr. DANDURAND: It comes from the honourable the senior member for Ottawa. The senior member for Ottawa was paid no money, directly or indirectly, by any department of the Government for himself or his client. All the moneys payable under the agreement were paid directly to the company, and the company kept the whole of it for itself. The senior member for Ottawa or his firm never received a cent of that money. They have never claimed a cent of it; they have all along recognized that these moneys wholly and exclusively belonged to the company. The only thing they claimed, and for which they have recovered judgment, is the payment of the fee offered by the company, to be paid by the company, out of the company's own funds and over and above and quite outside of any money which the company had or could or would receive from the department.

The fee in question in no case, in no event and in no part could be claimed from or paid by any department of the Government—not one cent of it.

The department was not in any degree concerned or interested in the amount or the payment of the fee. It had not and never had or could have any interest whatever in such fee.

The only money paid on account of this fee was paid by the newspaper company in the amount of $1,000 received by the company's cheque on the 12th of February, 1928, and at once credited to the firm of Belcourt, Leduc & Genest and deposited to their credit with their own bank in Ottawa.

Hon. Mr. GORDON: The honourable gentleman has not given us what I should like to have. It is said that a contract existed between Senator Belcourt and the publishing company, and that it is expressed in correspondence. Now, we have the letter stating the proposal of the company, and I think that if Senator Belcourt sent a proper reply to that letter he should be cleared from the implication under which he now rests. My idea is that in reply to that letter the senator should have written stating that it would be illegal and improper for him to accept a commission—

Hon. Mr. DANDURAND: Why does my honourable friend use the word "commission" when the letter speaks of a fee?

Hon. Mr. GORDON: Just a minute. But he could have added words to this effect: "I believe it is ethical and legal for me to accept a fee for legal advice to you and for the drafting of the contract."

Hon. Mr. DANDURAND: Mr. Lefroy apparently had been here and in touch with the various departments, or had engaged in correspondence seeking a continuation of an old contract. He was not able to have the contract renewed as quickly as he had hoped.

If he did come here, he seemingly was unable to remain until the matter was brought to a finish; so he retained an attorney or agent. He wrote to the senior member for Ottawa (Hon. Mr. Belcourt), as a member of a firm, explaining what he wanted and asking if he would follow the matter up. He pointed out that he would pay a fee of $5,000, or £1,000. The senator accepted the offer to act for the newspaper company. I am not going to split hairs on the question whether he replied for himself alone or on behalf of his firm. Correspondence with the clients and correspondence with the department continued for months. He sued for the fee, and he recovered judgment.

Hon. Mr. GORDON: Then do I understand from my honourable friend that the contract does not consist of this letter and the reply to it?

Hon. Mr. DANDURAND: Undoubtedly there must have been an answer acknowledging the offer and accepting the mandate, inasmuch as the mandate was carried out to the end, and upon that correspondence the court has since had to reach a decision.

Hon. Mr. GORDON: The court expressed the view that the contract was contained in the correspondence, and I think it is unfair to the honourable the senior member for Ottawa (Hon. Mr. Belcourt) not to produce that letter.

Hon. Mr. DANDURAND: In effect the reply was an acceptance of the offer, since the mandate was carried out. An action was taken for work performed, and judgment was given.

Hon. Mr. GORDON: Are we to assume that the reply to this was: "I shall endeavour to get this contract"? I think that would place the honourable member in a bad light.

Hon. Mr. DANDURAND: That was a question for the judge to consider, and after considering it he rendered judgment in favour of the plaintiff.

Hon. Mr. GORDON: In my opinion it is also a question for the Senate to consider.

Hon. Mr. DANDURAND: My honourable friend would sit in appeal on the judgment of that court.

The Hon. the SPEAKER: Will the honourable member make his motion?

Hon. Mr. POPE: Honourable members, I am disappointed at the so-called amendment that I presume is to be proposed, if I may judge from the speech delivered the other day by the leader of the Opposition.

Hon. Mr. DANDURAND: As my honourable friend probably desires me to follow him, I would ask him either to speak loud enough for me to hear him or else to come nearer. We are of about the same age, and when I speak my honourable friend can hear me. I should like to be able to hear him.

Hon. Mr. POPE: I wish I had a horn to blow through. I don't mean a brass horn; I mean another kind of horn.

I said that I was surprised and disappointed that the simple motion appearing on the Order Paper, which I am about to move, was not acceptable to the honourable the leader of the other side of the House. I have asked, I ask now, and shall ask again, that a committee of members of both sides of this House —seven, if you like—be selected by the two leaders; that it should, behind closed doors, consider the position taken on the floor of this House by the senior member for Ottawa, instead of having the matter aired throughout the length and breadth of Canada; and that this committee should pass judgment, according to its ability, in order that we may avoid some of these difficulties in the future, and may maintain the honour and integrity of this honourable House. Instead of that being done, I was notified—not by being shown the amendment; I have not seen it yet—I was notified by the honourable member for De Salaberry (Hon. Mr. Béique) that he had an amendment, and I assumed that the long oration or recitation delivered the other day by the leader opposite (Hon. Mr. Dandurand) was prepared for this occasion. I assumed that because he said he had an amendment. What is our purpose? Some people say that it is to whitewash the senior member for Ottawa instead of giving serious, careful and kindly consideration to the position that he occupies. So far as I am concerned, I will join in no proposal to whitewash. I do not know what the amendment is, but if it is of that character I wish to dissociate myself from it. The honourable gentleman opposite, and those surrounding him, will have to assume the whole responsibility, so far as the Senate of Canada is concerned, for any proposal to apply the whitewash brush.

It is not necessary for me to go further. I do not want to charge anybody with being guilty of any offence, and I refuse to do so. That is not my duty. It is a question for a committee. For that reason I should like to see my motion passed. I should be very pleased if the honourable gentleman would accept this motion of mine that a committee meet behind closed doors to consider this question, adjudicate upon it and report

back to us. This, to my mind, would be much better than airing the matter throughout the length and breadth of the country.

I beg to move the motion that stands in my name, which is as follows:

That a special committee of members of the Senate be appointed to enquire into and report upon the matters mentioned by the Hon. N. A. Belcourt at the sitting of the Senate on June 16, 1931, and appearing in the Debates of the Senate of that date, in regard to the purchase by a department of the Government of copies of the publication "Canada," and also to consider and report upon the association of the said Hon. N. A. Belcourt in the said matters and what action, if any, should be taken by the Senate in regard thereto.

Hon. Mr. BUREAU: Do the words "closed doors" appear in the motion?

Hon. Mr. POPE: No. They are not necessary. The matter has already been opened by honourable gentlemen on the other side of the House.

Hon. Mr. BUREAU: Then why mention that, and try to get behind it?

Hon. Mr. POPE: I am not trying to get behind anything. I am in earnest. I do not have to be angry when I am in earnest. I am in earnest when I talk of the integrity of this House. The integrity of this House is something that has come down to us from the men who went before, and that will pass on to those who come after us.

Hon. F. L. BEIQUE: Honourable members, a week or two ago, when this question was raised in the Senate, both the leader of the Government in this House and the leader on this side agreed that, as the matter was before the courts, any discussion of it in the Senate should be deferred. I then personally joined in that opinion, and I still think it would have been the proper course to follow.

I fail to understand the reason and persistency of the repeated attacks which are being made against the honourable the senior member for Ottawa when the matter is thus before the courts. It seems to show a desire to affect the standing of one of our colleagues, and, in a measure, that of the whole House.

My mind is entirely open as to the advisability of enacting a rule under which any member of the Senate would in the future be debarred from the right of receiving any remuneration from a client for services rendered to him in dealing with the Government or any of its departments. A rule of that kind would tend to elevate the standing of the Senate and of its members; but such a rule would constitute an entirely new departure.

The question is whether the honourable the senior member for Ottawa has done anything in violation of section 21, subsection 1, of the Independence of Parliament Act, which reads as follows:

No person, who is a member of the Senate, shall directly or indirectly, knowingly and wilfully be a party to or be concerned in any contract under which the public money of Canada is to be paid.

The contract which has given rise to this debate was a contract between the Canada Company, a company carrying on its business of publicity in England, and several departments of the Canadian Government. The contract has been in operation for a number of years. Early in the year 1927 negotiations between the Canada Company and departments of the Dominion Government were in progress, as appears by the letters printed on page 312 of the Debates of the Senate.

On the 8th of April, 1927, the Canada Company wrote to the honourable the senior member for Ottawa:

The fee we could offer for the completion of the negotiations will be five thousand ($5,000), which we will pay within one month of our receipt of the official authorization.

And again on the 4th of July following:

As previously mentioned to you in my letter of April 8th, the fee agreed on—$5,000—will be paid to you as promised by that letter within one month from the receipt by me of the official contracts from Government departments for three years.

Of course I look to you to get the official contracts from the several departments making up the minimum of 3,000 copies per annum, which number includes the 1,700 already promised to me.

By this letter the honourable the senior member for Ottawa was requested to act as agent of the Canada Company and follow up its pending negotiations with the departments of the Dominion Government.

To act as agent or solicitor of any person dealing with the Government, or any of its departments, or secure for a client or principal a contract from the Government or any of its departments, is clearly not being a party to, or being directly or indirectly concerned personally in, such contract.

The question is so simple that it is hardly arguable. Let us suppose a contract negotiated by an agent on behalf of his principal with any other party on condition that if successful he will be paid by his principal an amount agreed upon. The negotiations are carried on, the contract is signed by both parties, and the amount agreed upon between the agent and his principal is paid by the latter out of his own money and before receiving a cent out of the contract. Would

it be pretended that the agent was concerned or interested in the contract, in the sense of section 21, subsection 1, of the Independence of Parliament Act? Evidently not. For my part, I can see no difference between a case of that kind and the case concerning the honourable the senior member for Ottawa.

I would call the attention of honourable members to the fact that the purpose and effect of the motion of the honourable member for Bedford (Hon. Mr. Pope) is to place the honourable the senior member for Ottawa on trial before the Senate. For my part, I do not think there are any reasons for doing so, and I propose to move in amendment to the motion:

That all the words following the words "report upon" in the second line of the said motion be struck out and be replaced by the following:

—the advisability of a rule being adopted by the Senate defining the nature and extent of the relations which a member of this House, whether a member of the Bar or not, may have with the Dominion Government or any of its departments, and, if deemed advisable, to prepare such rule.

This is seconded by the right honourable member for Eganville (Right Hon. Mr. Graham).

Hon. H. W. LAIRD: Before we proceed further I should like to ask a question. The honourable gentleman who has moved this amendment based the first portion of his argument upon the statement that an appeal had been entered in this case. I have been informed, on what I believe to be the very best authority, that no appeal has been entered. I should like to ask the honourable gentleman if he has any evidence to bear out his statement that, as a matter of fact, an appeal has been entered.

Hon. Mr. BEIQUE: I did not refer to any appeal having been entered. I do not know.

Hon. Mr. LAIRD: The honourable gentleman raised the point that, as the case was before the courts, it should not be discussed.

Hon. Mr. BEIQUE: The honourable the senior member from Ottawa stated in the Senate that an appeal had been taken. I know that a judgment was entered in his favour. We had his statement that there was an appeal from that judgment. I said that in my opinion the proper course would have been to await the decision of the court; but, as the matter has been pressed by an honourable member of this House, I have to express my opinion on it.

Hon. Mr. LAIRD: It is just as well for us to understand the situation. An important argument has been based on the ground that this matter should not receive consideration at the hands of this Chamber because it is sub judice, by reason of an appeal having been entered. As I understand the honourable gentleman, all that he has to show that an appeal has been entered is the statement of the honourable the senior member for Ottawa. I have heard that statement absolutely contradicted, and I do not think this House should further consider the question whether the matter is sub judice or not, until some credible evidence is given to show that an appeal has been entered. Till then that part of the argument should be withdrawn.

Hon. Mr. DANDURAND: My honourable friend is always logical enough, and he should understand that if there is no appeal the judgment stands. Therefore the argument is just as strong that the Senate cannot sit in appeal on a judgment of the Supreme Court of Ontario.

Hon. Mr. LAIRD: Then, why the argument that the matter is under appeal?

Hon. Mr. DANDURAND: Because there is the further argument that it is still before the courts. I have the official statement of the plaintiff—who must know something about it—that the case has been appealed.

Hon. Mr. LAIRD: That is absolutely contradicted.

Hon. Mr. BEIQUE: The honourable the leader of the Government in this House stated, and the statement was corroborated by the leader on this side, that there had been a judgment, that there was an appeal, and that the matter was before the court, and they both expressed the opinion that under the circumstances the matter should rest until judgment was given.

Hon. Mr. LAIRD: We have been told that an appeal has been entered in this case and that therefore we should not do anything further until a decision has been rendered. Now, I am informed that no appeal has been entered. That fact has no bearing on the merits of the case, but it does affect the argument that we should not proceed to consider the question because it is sub judice.

Hon. Mr. DANDURAND: Has my honourable friend been informed by attorneys in the case that no appeal has been entered?

Hon. Mr. LAIRD: My statement is founded upon as good authority as that upon which my honourable friend relies.

Hon. Mr. DANDURAND: My authority is one of the plaintiffs in the case, the senior senator for Ottawa, and as a member of this Chamber he stands behind his statement. I

could easily obtain definite proof within half an hour that an appeal has been lodged, but that would not alter the situation with which we are concerned. As I have already said, if there were no appeal the judgment of the trial court would stand without question; but since there is an appeal the plaintiff must run whatever risks are involved. Should the Appellate Court of Ontario confirm the judgment, that would remain as an interpretation of the law, but if the judgment should be reversed, then it would be proper for the Senate to express an opinion on the fact that there was a breach of the Independence of Parliament Act.

Hon. Mr. GRIESBACH: Not at all.

Hon. Mr. McMEANS: May I ask the honourable gentleman a question? He says the judgment is being appealed. How will the decision of the Appellate Court, whether in favour of the plaintiff or in favour of the defendant, affect the question whether or not there was a breach of the Independence of Parliament Act?

Hon. Mr. POPE: Hear, hear.

Hon. Mr. McMEANS: The defendant might have raised the technical objection that the action of Senator Belcourt was against public policy. But the Independence of Parliament Act is an entirely different matter and cannot be construed by the courts in this case. The only remedy that may be obtained through the courts against a senator who is alleged to have committed a breach of that Act is by way of a suit, which may be entered by any person, and if the senator were found guilty the penalty would be $200 for each day during which he continued the violation of the Act. The time limit for bringing such an action has expired in the present instance. Now, will the honourable gentleman state in what manner the judgment in question, whether appealed or not, is affected by the Independence of Parliament Act?

Hon. Mr. DANDURAND: It is not affected by the Independence of Parliament Act, but affects the interpretation of the Act.

Hon. Mr. McMEANS: No, it does not.

Hon. Mr. DANDURAND: I have yet to find a barrister who will contend that Parliament should interpret its own laws.

Hon. Mr. McMEANS: I have not said that.

Hon. Mr. DANDURAND: If Parliament cannot interpret and apply its own laws, then some other body must have that power. My honourable friend has been a barrister for more than thirty years, and he knows what authority can interpret Acts of Parliament.

Hon. Mr. McMEANS: Will the honourable gentleman answer a question?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. McMEANS: How does the Independence of Parliament Act in any way concern the suit in question?

Hon. Mr. DANDURAND: The question of that Act was raised before the Supreme Court of Ontario.

Hon. Mr. McMEANS: I do not think so.

Hon. Mr. DANDURAND: My honourable friend could not have been listening to what I read the other day.

Hon. Mr. McMEANS: What was raised before the trial judge was the question whether the contract was void on the ground of being against public policy. The Independence of Parliament Act provides that a senator who is alleged to have infringed it may be sued, and if found guilty fined $200 a day for each day that the violation has continued. But suit must be brought within a year, and that time has expired in this case.

Hon. Mr. DANDURAND: There is a penalty provided for the violation of what?

Hon. Mr. McMEANS: The Independence of Parliament Act.

Hon. Mr. DANDURAND: The Act prohibits the doing of certain things, and the question whether such things were done must be decided by the courts. In this case the court declared that the Act had not been violated.

Hon. Mr. McMEANS: It does not say anything of the kind. I have not the slightest hesitation in contradicting my honourable friend on that point.

Hon. Mr. DANDURAND: Perhaps my honourable friend has been slumbering during the heat wave that we have had in the last few days. I will read from the report of the argument in the case, which I quoted a couple of days ago.

Hon. Mr. McMEANS: What page?

Hon. Mr. DANDURAND: Page 312 of Hansard.

Mr. Biggar: If your Lordship insists on confusing me with my clients—I thought I had a duty to your Lordship. If your Lordship does not think I had a duty, I regret very much that I raised the point at all.

The point that he had raised was in regard to the Independence of Parliament Act.

Hon. Mr. McMEANS: Does it say so?

Hon. Mr. DANDURAND: Yes.

His Lordship: I am desirous of saying, Mr. Biggar, having that duty, and feeling yourself compelled to exonerate yourself in that regard, that you have done it very nicely, and very kindly, and with very nice regard to everybody concerned.

Mr. Biggar: It was only for that reason I did it.

His Lordship: When it comes to me I have got to face it. I cannot deal with it in a sort of gentle way at all. If it is the law I have to enforce.

I think that is plain English: "If it is the law I have to enforce."

Mr. Biggar: I thought it would be improper for me to allow your Lordship to dispose of the case without knowing of the existence of that.

His Lordship: I think you are quite right and I think you have brought it to my attention in as professional and generous a way to all concerned as you could possibly have done.

Then Mr. Fripp, who acted for the firm of Belcourt, Leduc & Genest, said:

Mr. Fripp: If I find authorities may I submit them to your Lordship within a day or two?

His Lordship: No, you need not.

Mr. Fripp: It has taken me a little by surprise.

His Lordship: It has not taken me by surprise. I had it in mind.

Later his Lordship rendered judgment, in which he said:

None of the statutory defences raised work a defence for the defendants.

And he granted judgment for the plaintiff.

Hon. Mr. McMEANS: I understand that.

Hon. Mr. DANDURAND: I would further draw my honourable friend's attention to the opinion of Mr. Aimé Geoffrion—

Hon. Mr. McMEANS: We have heard that before.

Hon. Mr. DANDURAND: Yes, but surely my honourable friend will have the modesty to accept that opinion, in view of Mr. Geoffrion's standing as a barrister.

Hon. Mr. McMEANS: I think my honourable friend should not make such a statement as that. Mr. Geoffrion has a high reputation throughout this country, but there are many other eminent counsel, as able as my honourable friend, who will differ with the opinion that has been cited here. I maintain that the Independence of Parliament Act is not affected by the judgment of the trial court, and that it will not be affected by any decision the Appellate Division may render. I know that my honourable friend is a very specious pleader. He has been a senator for a great number of years, and as a special pleader in this House he perhaps has no equal.

Hon. Mr. DANDURAND: That is very kind.

Hon. Mr. McMEANS: He knows how to twist and turn so that he can confuse most of us. I say that the Independence of Parliament Act is not affected by the judgment in this case.

Hon. Mr. DANDURAND: I set against the opinion of my honourable friend the opinions of Mr. Justice McEvoy, Mr. Geoffrion and other leading members of the Bar.

Hon. Mr. McMEANS: If the discussion is going to continue along this line, I think we should get the opinion of other eminent lawyers.

Hon. Mr. DANDURAND: I think the Senate will be content with the judgment of one of the courts of the land. That ranks above the opinions of counsel, but of course members of the Bar have the right to say what they think. Here is the statement of Mr. Aimé Geoffrion:

Apart from the issue of fact which was directly raised by the defendant, the question of the possible nullity of that contract as being against public policy was suggested to the Court by the attorney for the defence,—

That is clear. I have cited the discussion between the judge and Mr. Biggar.

Hon. Mr. McMEANS: That is what I said, that it was a question whether the contract was against public policy. The Independence of Parliament Act does not affect it.

Hon. Mr. DANDURAND: He goes on:

—although the point was not directly raised by the defendant himself. The Judge therefore considered it, and, of necessity, decided in favour of the validity of the contract, since the action was maintained, and, under a well settled rule of the law, if the fact of the contract being against public policy had been apparent on the record, the action should have been dismissed whether the point was raised or not.

It is not necessary to plead a statute.

Hon. Mr. McMEANS: Let me correct the honourable gentleman. There is no statute required in regard to public policy; that comes under the common law of the land. I do not want to go into a further discussion, but I maintain that if the contract is void it is void on the ground of being against public policy and not because of any provisions of the Independence of Parliament Act.

Hon. Mr. BEIQUE: But the honourable gentleman will admit that the judge has given judgment contrary to that opinion.

Hon. Mr. McMEANS: No.

Some Hon. SENATORS: Question!

Hon. Mr. GORDON: In view of the letter which was written by the plaintiffs in the case, I am not at all surprised at the pussyfooting which was done on their behalf before the court, with regard to the question of the Independence of Parliament Act.

Hon. Mr. DANDURAND: I should like my honourable friend to say who in his opinion has done any pussyfooting, because the honour of members of the Senate may be affected.

The Hon. the SPEAKER: May I kindly call the attention of honourable senators to the desirability—unless it is the wish of the Senate that all the rules be set aside—of proceeding according to the rules of debate?

Some Hon. SENATORS: Hear, hear.

Hon. Mr. WILLOUGHBY: Honourable senators, I should like to restate the reason why this inquiry has been brought before this honourable body. The question is whether it is compatible with the dignity of this House and the independence of honourable members for a senator to procure personal advantage through a contract with the Government. I am speaking reluctantly, for I have and always have had the kindest feelings towards the senior senator for Ottawa. I have no desire to bring him or any other member of the Senate into disrepute. On the contrary, I would rather be the champion of the actions of an honourable member, as my honourable friend opposite (Hon. Mr. Dandurand) is in this case.

I think we should be doing a disservice to the senior senator from Ottawa and all honourable members who support his views in the matter, if we passed this amendment. Are we not willing to trust the honour of a senator to a committee of the House? I should be ashamed to sit here if I thought we could not refer a matter of this kind with implicit confidence to a committee of our colleagues because of fear that they might indulge in head-hunting. I am anxious to have the honour of Senator Belcourt vindicated. The question is not necessarily confined within the limits of the Independence of Parliament Act. It is whether the senior member for Ottawa, who has for a long time been one of the most outstanding members of the Senate, did or did not take advantage of his position to obtain personal advantage through a contract made with the Government. I do not accuse him of having done so; I am simply indicating the kind of inquiry the committee would have to make.

Hon. Mr. DANDURAND: Has not the court inquired into that?

Hon. Mr. WILLOUGHBY: I say it is not within the jurisdiction of any court of law to inquire into a question of the dignity of this House.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. WILLOUGHBY: I think honourable members opposite are doing a disservice to the senior member for Ottawa in urging that the inquiry be not proceeded with here. If the amendment is carried I intend to withdraw from the matter, and shall ask that the whole thing be dropped. I have implicit confidence that impartial justice will be done and that there will be no head-hunting if the inquiry is referred to a committee. What better conclusion of the whole matter could the senior member for Ottawa wish than a finding by a committee of this House that he had not acted improperly? Surely we know that such a finding would be made if warranted.

Hon. Mr. BEIQUE: I have great respect for the opinion of the honourable leader of this House and I should like to ask him a question. Is not the object of the motion of the honourable member for Bedford (Hon. Mr. Pope) to place the senior senator from Ottawa on trial? The motion asks that a committee be appointed to inquire into Senator Belcourt's conduct. The honourable leader knows that a person is not placed on trial unless there is a prima facie case against him, and the implication will be that there is a prima facie case in this instance, if we adopt the motion.

The amendment of Hon. Mr. Béique was agreed to on the following division:

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The Hon. the SPEAKER: I declare the amendment carried. The question is now on the main motion, as amended.

Hon. Mr. DANDURAND: I draw Your Honour's attention to the fact that the main motion has been emasculated. Three-quarters of it has been cut out. There remains but the first phrase.

Hon. Mr. GILLIS: But the main motion remains.

The Hon. the SPEAKER: Some other honourable member may yet move an amendment to the main motion. The adoption of the main motion closes the debate.

Hon. Mr. DANDURAND: The amended motion.

The Hon. the SPEAKER: The question is on the main motion, as amended.

The motion, as amended, was agreed to on the same division.

Hon. Mr. FARRELL: Honourable members, I was paired with the honourable senator from Boissevain (Hon. Mr. Schaffner). Had I voted, I should have voted for the amendment.

The Hon. the SPEAKER: A message, honourable senators, has been received—

Hon. Mr. DANDURAND: If Your Honour will allow me a moment, there is a matter that should be cleared up. I should not like to have anything intervene before I have cleared up a point with the honourable the leader of the Government.

Hon. Mr. GILLIS: It is out of order.

Hon. Mr. DANDURAND: It may not be out of order.

Hon. Mr. GILLIS: It is out of order.

Hon. Mr. LAIRD: We do not know yet what it is.

Hon. Mr. DANDURAND: It bears on the statement that my honourable friend made.

Hon. Mr. GILLIS: I call attention to the fact that this is out of order. The honourable gentleman is not speaking to a motion. We have already spent half the afternoon on this question, and the honourable gentleman is absolutely out of order.

The Hon. the SPEAKER: I understand the rule to be that a question, having been disposed of, cannot come up again except as a question of privilege, on a motion to adjourn, or with the unanimous consent of the House.

Hon. Mr. DANDURAND: If Your Honour will allow me, I may say that the amendment that has just been voted has a blank to be filled. The motion as carried reads:

That a Special Committee of members of the Senate be appointed—

I would have suggested that the matter of selecting the committee be left to the two leaders of this House, but I am somewhat hampered by the statement of my honourable friend (Hon. Mr. Willoughby) that he will not participate in the formation of that committee.

Hon. Mr. McMEANS: Certainly not.

Hon. Mr. DANDURAND: That is all right. I want to know if that is the stand of the honourable gentleman now, because he took a somewhat different one when this subject previously came before the Chamber.

Some Hon. SENATORS: Order!

Hon. Mr. McMEANS: The honourable gentleman should not make a statement of that kind.

Some Hon. SENATORS: Order!

Hon. Mr. McMEANS: The honourable member from Toronto (Hon. Sir Allen Aylesworth) rose and made the statement to this House that the honourable the senior member for Ottawa (Hon. Mr. Belcourt) had sued a newspaper for damages for libel, and had got a verdict, and that it was the judgment in the libel suit that was to be appealed. That is a different situation.

The Hon. the SPEAKER: I would draw the attention of honourable members to the desirability, in the interest of all, of keeping the debate as much as possible within the rules. Before the Orders of the Day are called I must inform the Senate that I have received a message from the House of Commons with Bill 109, an Act to amend the Income War Tax Act, to which they desire the concurrence of the Senate.

INCOME WAR TAX BILL

FIRST READING

Bill 109, an Act to amend the Income War Tax Act.—Hon. Mr. Willoughby.

RELATIONS OF SENATOR WITH DOMINION GOVERNMENT

SELECTION OF SPECIAL COMMITTEE

Hon. Mr. DANDURAND: Will my honourable friend allow me to suggest that the formation of the committee be postponed until to-morrow? Is that agreeable to my honourable friend?

Hon. Mr. WILLOUGHBY: Of course the honourable gentleman is out of order now.

Hon. Mr. DANDURAND: We must settle that question before adjournment.

Hon. Mr. WILLOUGHBY: That the committee should go on?

Hon. Mr. DANDURAND: Should be selected.

Hon. Mr. WILLOUGHBY: I have indicated what I intend to do. We on this side are not going to participate in the formation of any such committee.

Hon. Mr. BEIQUE: The amendment for the appointment of the committee has been carried; therefore it remains for us to appoint the committee.

Hon. Mr. GILLIS: Order!

Hon. Mr. BEIQUE: I think I am in order.

Hon. Mr. GILLIS: Absolutely not.

Hon. Mr. BEIQUE: I appeal to the Chair as to whether or not I am in order. A question is raised by two members of this House, and I am giving the explanation. I do not think that I waste the time of this House. I always try to be very brief in my remarks, and I am surprised at the objection raised. In any event, I ask the ruling of the Chair as to whether or not I am in order.

The Hon. the SPEAKER: The question to which the honourable member is referring is not actually before the House. I have communicated to the House a message from the House of Commons transmitting a Bill. That Bill has been disposed of, and I fail to see how the question referred to can be considered. It is not on the Order Paper.

Hon. Mr. DANDURAND: We may ask His Honour, at the adjournment, to be allowed to give notice.

The Hon. The SPEAKER.

PRIVATE BILL

THIRD READING

Bill L1, an Act to incorporate Morris Finance Corporation.—Hon. Mr. Tanner.

POST OFFICE BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 107, an Act to amend the Post Office Act.

Right Hon. Mr. GRAHAM: Explain, please.

Hon. Mr. WILLOUGHBY: Honourable senators, the amendments contemplated by this Bill are very slight. The principal object is to increase the rate of postage on newspapers and periodicals with a circulation of more than 10,000 copies per issue, excepting publications in certain specified classes, from 1 cent to 1½ cents per pound. There is no change with respect to publications that are circulated free of charge, nor to those devoted to religion, the sciences or agriculture.

Right Hon. Mr. GRAHAM: Who will be the judge as to whether a paper is religious or not?

Hon. Mr. FORKE: Does the Sentinel come under that exemption?

Hon. Mr. WILLOUGHBY: If the question cannot be decided by any other tribunal, I presume it will have to come before the Senate.

Hon. Mr. LEMIEUX: Following the introduction of this Bill in the other Chamber, there was a wave of protest from various parts of the country on the ground that it would no longer be possible to obtain certain English, French and American magazines in this country. I need not mention the names of any publications, for all honourable members know the type to which I refer. I understand that the Prime Minister promised that some magazines would be exempted from the law. The prices of magazines that are not exempted will, it is feared, become so high that Canadians will not be able to purchase them. Can the honourable gentleman tell us anything about the exemptions?

Hon. Mr. WILLOUGHBY: I think my honourable friend misunderstands the object of this Bill. It concerns simply the Post Office, whereas the measure that he has in mind has to do with the tariff and is an entirely different thing.

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

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

Hon. Mr. POPE: Now.

Hon. Mr. DANDURAND: I suppose it will not be necessary to deal with it in committee.

Right Hon. Mr. GRAHAM: I should like to have the third reading postponed for another day or two, so that I may have an opportunity to read the Bill.

Hon. Mr. WILLOUGHBY: To-morrow.

INTERPRETATION BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 105, an Act to amend the Interpretation Act.

He said: Honourable senators, the object of this Bill is very clearly stated in the explanatory note, which reads:

By section 2 of chapter 24 of the statutes of Ontario, 1931, it is provided that the Appellate Division of the Supreme Court of Ontario shall hereafter be known as the "Court of Appeal for Ontario," and the High Court Division shall hereafter be known as "the High Court of Justice for Ontario." These provisions will come into force on the 1st September, 1931, so that after that date the provisions of section 32 of the Interpretation Act will no longer be necessary.

Evidently the purpose is to clarify the legal definition of these two courts.

Hon. Mr. BUREAU: Section 32 of the Interpretation Act is to be repealed?

Hon. Mr. WILLOUGHBY: Yes.

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

COMPANIES BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 108, an Act to amend the Companies Act.

He said: The object of this Bill is to enable companies to make loans to their employees. Under the law as it now stands, the company cannot lend to one of its shareholders, and it has been objected that persons who have bought shares of the company by which they are employed have thereby become shareholders and consequently cannot borrow from the company. The Bill provides that a company—

may make loans to its employees, to enable or assist them to purchase or erect dwelling houses for their own use, even although such employees are shareholders of the company; and the company may take from such employees mortgages or other securities for the repayment of such loans.

Hon. Mr. DANDURAND: I think this is a commendable amendment.

Hon. Mr. WILLOUGHBY: I think so. The next clause of the Bill provides:

Neither the auditor of any company nor any partner nor associate in any accounting or auditing company or business with the said auditor shall be capable of being appointed a director or officer of the company; Provided, however, that this subsection shall not apply to any private company,—

We all know what that means.

—nor in the case of any company whose shares, bonds, debentures or debenture stock are not offered for public subscription.

Hon. Mr. DANDURAND: I have read this Bill with some care and it seems to me that the amendments are desirable, for they will enable a company to do the right thing by its employees.

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

NATURALIZATION BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. Mr. WILLOUGHBY moved the second reading of Bill 3, an Act to amend the Naturalization Act.

He said: Honourable senators, naturalization bills have been before Parliament for a generation. The main difficulty has been to define the nationality of a wife in certain circumstances. The Bill is intended not only to clarify the present law, but also to give to married women in certain instances some privileges that are not now obtainable. The amendment to subsection 3 of section 13 of the Act provides that where a man ceases to be a British subject his wife shall remain a British subject unless she also acquires the new nationality of her husband. There was a case where a woman was without any legal nationality at all for some time.

Hon. Mr. BUREAU: May I ask my honourable friend how a man can cease to be a British subject if he does not become the subject of another nation?

Hon. Mr. WILLOUGHBY: He has to become the subject of another nation.

Hon. Mr. BUREAU: Then why would his wife not become the subject of that other nation?

Hon. Mr. WILLOUGHBY: Under ordinary circumstances the wife would acquire the same nationality as her husband.

As an interesting ceremony is scheduled to take place in this Chamber within a few minutes, I move the adjournment of the debate.

The motion was agreed to, and the debate was adjourned.

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

PORTRAIT OF SENATOR DANDURAND

PRESENTATION TO THE DOMINION GOVERNMENT FOR TRANSMISSION TO THE LEAGUE OF NATIONS.

Following is a report of the speeches delivered in the Senate Chamber after the adjournment of the Senate on Wednesday, July 8, 1931, on the occasion of the presentation of a portrait of Hon. Senator Dandurand to the Dominion Government for transmission to the League of Nations.

Hon. W. B. WILLOUGHBY: Honourable members of both Houses of Parliament, we are honoured to-day by the presence of the Prime Minister of Canada (Right Hon. Mr. Bennett) and the late Prime Minister of Canada (Right Hon. Mr. King), who have been good enough to come here, together with many other members of the other House, to participate in the presentation of a portrait of Senator Dandurand to the Government, by his friends, and on behalf of this Chamber. This portrait has been painted by a very eminent French artist, and is to be hung at the headquarters of the League of Nations in Geneva.

Right Hon. GEORGE P. GRAHAM: Mr. Prime Minister, Right Hon. Mr. King, and gentlemen, I am glad to see you in the Senate at last; but I am not nearly so glad to see you here as many of you would be to come here to remain a little longer.

Right Hon. Mr. BENNETT: Not yet.

Right Hon. Mr. GRAHAM: I consider it a great honour to be permitted to say a few words at this time. Senator Dandurand has represented Canada in a most remarkable way. Had it not been for the fact that he was able to speak both English and French, he never would have occupied the position that he did. He went to the League of Nations on the run—he goes everywhere on the run—for he is a man who never sits still, and who seldom slackens his pace to a walk. He went to the League of Nations at top speed, and right up to the presidency of the Assembly, the highest position in the League. Then he became a member of the Council. In all this he brought credit not only to himself, but to the Dominion of Canada, and perhaps I may say that no man has done more in that direction than he has. But I cannot be too outspoken towards my deskmate; it is difficult enough for us to get along together as it is. One of my difficulties at the moment is this: I see before me a wonderful portrait of a wonderful man, and I am puzzled: I wonder how they ever got him to sit still for a sufficient length of time to paint it. Some undue influence must have been used.

Some Hon. MEMBERS: Oh, oh.

Right Hon. Mr. GRAHAM: Honourable members of the Senate, and our visitors, I take great pleasure in seconding what the Hon. Mr. Willoughby has said. It is an honour to us all to be able to hand to the Government of Canada this portrait of the man who so well represented us among the nations of the world, and who brought credit to us all.

I do not think I can say more. I believe in the League of Nations, and I believe that Senator Dandurand has faithfully and well represented the Canadian ideal at that League.

Some Hon. MEMBERS: Hear, hear.

Hon. F. L. BEIQUE: Mr. Prime Minister, as you are aware, our common friend, Senator Dandurand, has played a very important role at the League of Nations. He represented Canada at the Assembly of 1924 and was elected its President at the meeting of 1925. His numerous activities at the League were of a very high order, of great credit to himself, and of a nature to draw the special and favourable attention of all other nations, members of the League, to Canada, and to place it in a very strong light.

At the request of some of his friends, a portrait of the senator was made at that time by a distinguished French artist, with a view to its being presented to the Dominion Government, to be passed on by it to the League of Nations.

I have been charged by the parties at whose request the portrait was made, and by the numerous friends of Senator Dandurand in the Senate, with the pleasant duty of offering that portrait to the Government of Canada, so that it may be presented by the Government to the League of Nations, I have now the great pleasure of discharging that duty.

I am sure that the senator has in the House of Commons, as in the Senate, a large number of friends who, irrespective of political convictions, will be glad to associate themselves with the presentation.

Some Hon. MEMBERS: Hear, hear.

Right Hon. R. B. BENNETT (Prime Minister): Honourable members of the Senate, gentlemen of the House of Commons: In political life, with its acute differences and antagonisms, its fierce strife, its passions and

prejudices, of which we are all so fully aware, it is fitting that now and then the amenities of civil life should be observed. It is therefore a very great pleasure to me to be present this evening to accept, on behalf of the Government of Canada, a portrait which has been presented to the Government for transmission to the League of Nations. I accept it on behalf of the Government in order that it may find a place in the gallery at Geneva, there to remind future generations that early in the life of the League of Nations Canada gave to it a president.

Senator Dandurand is peculiarly qualified to occupy the position of President of the League of Nations. Had he lived a couple of hundred years ago he might have been a Machiavelli, or, possibly, in later years, he might have been a Richelieu or one of the other great statesmen of the past. He has all the qualities of heart and mind that would have enabled him to become a great statesman of those days. Qualified by education, experience and training, he gave to the office of President of the League of Nations an importance that was, I think, second to none given to it by any other occupant of that great office. I might say this—and I can speak very dispassionately—that our place in the League of Nations was secured for us by a Government of which the honourable gentleman was not a member, and the great traditions were maintained and carried on by the Government of which he was a member. We will strive to maintain worthily those traditions.

Some Hon. MEMBERS: Hear, hear.

Right Hon. Mr. BENNETT: May I add that the position that this Dominion has occupied at the League of Nations is probably little understood by the average Canadian. Canada occupies, as my friend to my left (Right Hon. Mr. King) has often remarked, a truly great position in international affairs; not by reason of our population, not because of our size, not because of our rich material resources, but because of the character of our people and their origin. Here, living side by side, are the descendants of great races, the original pioneers of this country, represented by those who settled upon the banks of the St. Lawrence and their successors, and those who settled upon the shores of Massachusetts. These two peoples have been able to work out, sometimes with some difficulty, sometimes with slight misunderstandings, a harmonious civilization. Now and then discordant notes are struck; but in the main it may be said that by reason of the example that we have given to the world we have become an international factor of the first magnitude. Therefore it is of the utmost importance that we should maintain worthily our great traditions, such traditions as those which have been to some extent created by the distinguished gentleman whose portrait has been presented to-day, to find its permanent home at the League of Nations.

Some Hon. MEMBERS: Hear, hear.

Right Hon. Mr. BENNETT: I congratulate Senator Dandurand on the place that he has been able to make for himself, on the position that he has occupied, and on the influence that he has exercised. I trust that he has before him many years of useful service —not always in opposition to the causes that I represent—and that in the fulness of time he will realize that the strength of the influence he has exercised is found not within political parties, but rather outside of them. I hope that in this great body to which he has rendered such distinguished service he has found, in large measure, a fulfilment of the dreams of his youth—of which at times, in happier days, he has told me. He has become a real factor in world affairs, and by reason of his qualifications has reflected credit and distinction upon this Dominion, and upon this Senate, of which he is so great an ornament. On behalf of the Government I accept this portrait for transmission to the League of Nations, knowing that future generations will look upon his kindly face and see there its astuteness and that benevolence and courtesy which are part and parcel of his useful life.

Some Hon. MEMBERS: Hear, hear.

Right Hon. W. L. MACKENZIE KING: Senator Willoughby, honourable members of the Senate, and members of the House of Commons, as the Prime Minister has just said, it is indeed a pleasing interlude when those of us who belong to different political parties and different Houses of Parliament have the privilege of meeting together even for a few moments, and especially so when the occasion is to do honour to one of their number, and to emphasize thereby some of the things which are held in common, rather than the differences that divide us.

The Prime Minister has accepted this portrait on behalf of the Government of the day. To those of us who were in office at the time the portrait was first thought of, it is a source of gratification that members of both Governments should have had some share in expressing in this way, not only to Senator Dandurand, but to the League of Nations, the unanimity of feeling and admira-

tion which, irrespective of political party, is cherished towards our distinguished colleague for the part he has played in world affairs.

Some Hon. MEMBERS: Hear, hear.

Right Hon. Mr. KING: The Prime Minister has referred to certain personages in history who have played important roles, any one of which, he has been kind enough to say, Senator Dandurand might have filled had he lived in their time. I am not going to allude to anyone in particular, but I believe it to be true that history discloses that the men who have done most for civilization, the real benefactors of mankind, have been the great conciliators—the men who have been the means of bringing together in common accord peoples of different races, different classes and different nations, thereby helping to avoid the great catastrophes that, unfortunately, through failure in effort of the kind, come too often in the history of the world. I believe that in the roll of great conciliators our friend Senator Dandurand's name will at all times hold an honoured place.

The large part which Senator Dandurand has played in world affairs has been referred to this afternoon; it is so well known that it requires no further reference. May I say, however, that, long before there was a League of Nations, Senator Dandurand was devoting his time and thought to the work of conciliation, to the bringing together of the representatives of the popular assemblies of different parts of the world, to the work of international arbitration, and to all that pertains to international amity and good-will. If in the course of time, and with the change of events, he came to be the President of the League of Nations—as high an honour, I believe, as can come to any man in our time—it is due to the fact that he was realizing in mature years the accomplishment of those dreams and aspirations which were so real to him in youth, and which, as all who know him are aware, are of the very essence of his life and of his purpose in public life.

In conclusion may I say, Mr. Willoughby, that while this presentation, no doubt, does great honour to one who is a dear friend of all of us, a man who throughout our country is admired by all, it is also a very great honour to Canada that one of her distinguished citizens, as a former President of the League of Nations, should be the first to have his portrait hung in the halls of the League. To all of us that makes of this moment not only a pleasing but an historic occasion. We have the privilege of being associated at this time in the recognition of the services of one whose labours have been recognized by the world at large, and whose name will be cherished not only by his fellow-citizens in Canada, but by all who seek to further peace and good-will throughout the world.

Some Hon. MEMBERS: Hear, hear.

Hon. Mr. DANDURAND: My dear colleagues, when I was asked to sit for this portrait I respectfully demurred, because of my instinctive reluctance to accept from my friends any tangible expression of their goodwill and esteem, but I was told that I was connected only incidentally with an event which concerned the Dominion of Canada, and which they wanted to perpetuate by the gift of this painting to the League of Nations. That event seemed to me of considerable importance, because it emphasized before the world the presence and the action of Canada in the comity of nations. An interesting incident, which may be worth noting, occurred at the time of my election as President of the Assembly of the League. It devolved upon the then Prime Minister of France, Mr. Painlevé, who was President of the Council of the League, to preside at the opening of the Assembly and to welcome the President-elect. In an official statement the year before, he had declared his faith in the League of Nations, but had added that he was not yet reconciled to the possession by Great Britain of six votes in the Assembly while France had but one. Still he had to welcome the representative of a Dominion that had one of those six votes. Without alluding to his state of mind I took occasion in my reply to give him, twelve months in advance, the formula contained in the Balfour declaration of 1926 establishing our equality of status as a nation with the other Dominions and Great Britain.

In the minds of many in Geneva, the election of a Canadian to the presidency of the Assembly paved Canada's way to a seat in the Council of the League. Sir Robert Borden, in the face of considerable opposition, had asserted the right of Canada to a seat in the Council and had obtained an official recognition of his claim by the Prime Ministers of Great Britain and France, Messrs. Lloyd George and Clémenceau, and by the President of the United States, Mr. Woodrow Wilson. I was quite elated when I received from the Prime Minister, Mr. King, on the eve of the opening of the Assembly, a despatch giving the Canadian delegation authority to announce Canada's candidature for the Council. There were three seats vacant, but two of them were earmarked for countries in South America and

Northern Europe, so that a number of nations were competitors for the remaining one. Our most formidable rival was that old and classical country, Greece, represented by Mr. Politis, an eminent jurist who was popular in the Assembly. The vote was a close one, and resulted in a victory for this young nation. On the night of the election Mr. Politis made a comment which is perhaps worth repeating, and I feel the more justified in quoting it because it has been referred to by the right honourable the Prime Minister. "What chance," he said, "has any country to succeed against Canada, which appears at the League under two particularly appealing aspects, one British and the other French, and thus wins the sympathy of those two vast worlds, the Anglo-Saxon and the Latin? How can such a combination be beaten?"

Although but accidentally in the picture, I desire to thank the leaders of both Chambers for the kind words which they have spoken, and all my colleagues who have joined in this demonstration. And may I be allowed to express my deep appreciation to the Prime Minister, who has consented, in his capacity of Minister of Foreign Affairs —I did not say "External Affairs"—to transmit this portrait officially to the League of Nations.

Hon. C. P. BEAUBIEN: Mr. Prime Minister, and honourable members of the Senate and House of Commons, the committee in charge of arrangements for this ceremony wish to thank those who have kindly accepted their invitation to attend. They especially desire to express their appreciation to the Prime Minister, who, notwithstanding the burden he is carrying in these hectic days, has found time to be with us. They are particularly grateful for his gracious acceptance, in the name of his Government, of Senator Dandurand's portrait, and for his kind offer to present it to the League as a tribute from Canada. And the committee are not unmindful of the fact that nearly two years ago, when the thought of presenting this portrait was conceived, their suggestions met with the approval and hearty support of the then Prime Minister, the Right Honourable Mr. Mackenzie King, to whom they are greatly indebted.

Sincere thanks are also tendered to all those, from within as well as from without Parliament, whose generous collaboration has enabled the committee to achieve the important objective of marking in a fitting and lasting way a momentous event in Canada's international career. I see present many who gave a helping hand, and I am bound to say that the committee's work was made light. Senator Dandurand is held in such high esteem by all, because of the great services he has rendered to his country, that our project was enthusiastically supported. Canadians of all classes are very proud that one of their countrymen was singled out as the first among so many distinguished statesmen, the representatives of fifty-five nations.

Being mindful that their undertaking was of such international and lasting importance, the committee entrusted the execution of the portrait to one of the leading masters of Europe, Mr. Marcel Baschet, whose fame has been immortalized by the admission at the Luxembourg Museum, in Paris, of his portraits of two Presidents of the French Republic, Messrs. Millerand and Doumergue. The committee trust that their own high appreciation of this painting will be fully justified.

The suggestion to create a portrait gallery of the Presidents of the League has been received with gratifying favour in Geneva. Indeed, the plans of the palace now being erected for the League have been modified to provide for the display of this rare collection in a fitting manner, and Sir Eric Drummond has stated that at a not distant time this gallery of portraits of the leading statesmen will be superior to anything of its kind that the world has hitherto known.

To the Canadians who visit the League's palace in Geneva Senator Dandurand's portrait will appear as a fitting reminder of Canada's participation in the endeavour to establish world peace, the greatest and loftiest aim of humanity. It cannot but remind them that the Dominion has produced statesmen of full international stature.

In closing may I again express the thanks of the committee to all those who have helped to make possible the realization of this project.

THE SENATE

Thursday, July 9, 1931.

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

Prayers and routine proceedings.

RELATIONS OF SENATOR WITH DOMINION GOVERNMENT

MEMBERSHIP OF SPECIAL COMMITTEE—DEBATE ADJOURNED

On the notice of motion:

Honourable Senator Béique will move that the following senators be named to serve on the Special Committee appointed to inquire into the advisability of a rule being adopted by the Senate defining the nature and extent of the relations of a member of the Senate with the Dominion Government.

Hon. F. L. BEIQUE: Honourable members, I intend to move the motion which is printed on the Order Paper, but before doing so I should like to invite honourable members opposite to act on the committee, and I hope that they will be willing to do so. I repeat my request to the honourable the leader on the other side (Hon. Mr. Willoughby). If honourable gentlemen opposite are willing to act on the committee, I would move the name of the honourable leader and other members; if he is not willing to act on the committee, I should like to know whether there are members opposite who will act. The purpose of the committee, as stated on the Order Paper, is merely to inquire into the advisability of the adopting by the Senate of a rule defining the nature and extent of the relations of a member of the Senate with the Dominion Government. It seems to me that we all should be agreed on trying to prevent the recurrence of any such question as has been raised in the Senate recently. My sole object in asking for the appointment of a committee is that we may decide whether there should not be a rule of that kind, so that in future members of the Senate will have something for their guidance. Therefore I ask whether the honourable leader of the Government in this House, and other members opposite, are willing to act on that committee.

Hon. W. B. WILLOUGHBY: In answer to the honourable senator I may state, on behalf of the honourable gentlemen behind me, so far as I have any right to speak for them, that it is not our intention to take any further part in the discussion of this question at the present session. Therefore I cannot accede to my honourable friend's request. In saying this it is not my desire to be discourteous to the honourable gentleman (Hon. Mr. Béique), whom I esteem as one of the leaders of this House. I may say that I am advised—it is of no great moment now, and perhaps is not apropos—that an appeal has been launched and is pending. This being the case, I think all interests would be better served if we were to defer action in this matter to another session. The honourable leader opposite (Hon. Mr. Dandurand) attaches to the finding of the trial judge an importance to which I can hardly agree. Without discrediting that finding at all, I believe that remedies are available to us that are not available to the courts. I hope the honourable gentleman from De Salaberry (Hon. Mr. Béique) will agree, under the circumstances, to allow this matter to stand over till next session.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BEIQUE: I am always desirous of agreeing with the honourable the leader of the Government, but I fail to understand what objection there can be to adopting as soon as possible a rule to prevent the possibility of any mistakes in future. I think we should carry out the decision that was reached yesterday, to the effect that a rule should be adopted. There remains merely the appointment of the committee to consider such a rule.

Hon. Mr. WILLOUGHBY: I can only say again, in answer to the honourable gntleman, that I have indicated my position to the House.

Hon. Mr. BEIQUE: Then, if no honourable members on the other side are willing to act on the committee, I propose that a committee be appointed consisting of Hon. Messieurs Copp, Dandurand, Graham, Hardy, King, Lewis and myself.

Hon. Mr. BEAUBIEN: Honourable gentlemen, I rise simply to suggest to the honourable member for De Salaberry that under the circumstances it would be wise to postpone until next session the decision of what is simply a principle. I think the gesture made by the leader of this side of the House should commend itself to the judgment of honourable members, including my honourable friend from De Salaberry. I think it would be most unfortunate that a rule governing so important a matter as the relationship between senators and the Government, or any of its departments, should be devised by a committee composed exclusively of members of one side of the House.

Hon. Mr. DANDURAND: What objection is there on the part of the honourable gentleman and some of his colleagues to joining in that work now?

Hon. Mr. BEAUBIEN: Let us not discuss that question, because we certainly shall not be in accord. The important thing is to find some means whereby we all may agree on the selection of a committee which would be thoroughly representative of the views of all honourable members, and it will be impossible to do that if we accept the suggestion of the honourable member from De Salaberry.

Hon. Mr. DANDURAND: But I would point out to my honourable friend that that suggestion is accompanied by another.

Hon. Mr. BEAUBIEN: What other suggestion?

Hon. Mr. DANDURAND: That the honourable members opposite join with us.

Hon. Mr. BEAUBIEN: That brings up the reason why we do not want to join, and to go into that would mean the reopening of the whole question, which, in my opinion, has already occupied the attention of this House too long, and not to the advantage of honourable members. If the whole question had been referred to a committee at the outset, it would have been settled finally, and without half the unfortunate publicity that has been given to it throughout the country.

Hon. Mr. BEIQUE: Will the honourable member allow me to ask a question? When he says that the matter should have been referred to a committee, does he mean that the motion of the honourable member for Bedford (Hon. Mr. Pope) should have been adopted?

Hon. Mr. BEAUBIEN: Certainly.

Hon. Mr. BEIQUE: I repeat what I said yesterday, that, as the honourable gentleman knows, the effect of that motion, if we had passed it, would have been to place one of our colleagues on trial, and no one can be placed on trial unless there is a prima facie case against him. Would it have been fair for us to pass that motion and thus admit that the member concerned was on trial and that there was a prima facie case against him? The reason why I moved my motion was that I did not want to place one of our colleagues in such a position.

Hon. Mr. BEAUBIEN: With the best of intentions I suggest that at next session a committee might be appointed that would commend itself to both sides of the House and would submit a rule that we all could unhesitatingly accept. I cannot answer my honourable friend's question without reviving the whole unfortunate discussion. It is not difficult to reply, but I trust that my honourable friend will not tempt me to give the answer, for I desire very much that the discussion should not be reopened. As I say, in my opinion, the matter has had too much publicity throughout the country. I think it was not necessary to say so much about it. However, there is no use in crying over spilt milk; we cannot undo what has been done. Surely, when we are all in good faith seeking to have formulated a rule which we do not possess, and which is evidently very necessary for our guidance in the future, we ought to take every possible precaution to select a committee that would commend itself highly and absolutely to both sides of this House.

Hon. Mr. SHARPE: Hear, hear.

Hon. Mr. BEAUBIEN: But we cannot do that by passing this motion. I know that my honourable friend from De Salaberry is desirous of doing something that will be useful to us and will result in a permanent rule of conduct that can be accepted without question. Therefore I insist as strongly as I can on the suggestion that the matter be postponed until next session. This session is now in its dying days. When we come back next year we shall most probably have forgotten the heat that some of this discussion has engendered, and we shall be in a more judicial frame of mind to consider the question. Then the honourable leader of the House (Hon. Mr. Willoughby) would be ready to join in, and we should be in a position to act dispassionately and arrive at a conclusion based purely and simply on equity and the highest principles, in accordance with the opinions of members of both sides of the House. This is too important a matter to be dealt with by members on one side only.

Hon. Mr. BEIQUE: Will the honourable gentleman give a reason why honourable members on his side should not be as ready to join in the selection of such a committee and in its work, now as next session? I would draw the honourable member's attention to the fact that I have reached an age at which I cannot feel sure of being here next year, and therefore I have good ground for insisting that the motion be proceeded with now, since no reason has been shown to me for a postponement of the question.

Hon. Mr. DANDURAND: In the spirit which animates my honourable friend on the other side (Hon. Mr. Beaubien), I should like to appeal to my honourable friend the leader of the Government (Hon. Mr. Willoughby) and ask him if we could not arrange to explore to some extent, between now and the close of the session, the means by which we might come to an understanding as to the proper relations between members of Parliament and the various departments of government. As the honourable gentleman from De Salaberry has said, if it is acknowledged that a finding by a committee upon this matter is necessary, what real objection is there to making a start on a study of the question now? We may not proceed very far with it at this session. We may find it advisable to consult with the leaders in the other Chamber as to whether the matter should be studied by a joint committee of both Houses. Since I spoke on this matter the other day and referred to the contact of barristers who are members of Parliament with the various departments, I have received information which shows that such contact has been extensive from year to year. Therefore it seems to me that the question with which we are concerned here is equally interesting to the House of Commons, and although we may find it impossible

to finish our inquiry this session, we may in the next week or two be able to consult with the leaders in the other Chamber and ask them to give some thought between now and next session to the suggestion that the question involved in the motion before us might in the best interest of Parliament be studied by a joint committee. I am not particularly interested in this matter from the point of view of a lawyer, because I have not practised at the Bar since I had the honour of being Speaker of this Chamber, but I realize that the professional contact between a barrister who is a member of Parliament and the governmental departments involves a highly complex problem.

Hon. Mr. SHARPE: Does my honourable friend not think that a barrister who occupies a seat in this House is in a different position from a barrister who is a member of the other House?

Hon. Mr. DANDURAND: No; but for every lawyer here there are nine in the other place. It may be that if we draw up a rule to govern the relations between a senator and the departments, the members of the other House will think it advisable to consider whether it would not be in their interest to have a similar rule. I am throwing out this suggestion simply with a view to helping in the solution of the present difficulty. I do not wish to broaden the discussion, but of course it is well known that members of Parliament who belong to the legal profession are not the only members who have contact with the departments.

Hon. GEORGE GORDON: Honourable senators, I think that the honourable gentleman's reference to members of Parliament who are not lawyers is unfortunate, because the impression may now go abroad that other members of this House have had unethical relations with the departments.

Hon. Mr. DANDURAND: I was speaking very generally, and not of this Chamber in particular, nor of the present time.

Hon. Mr. GORDON: In my opinion it is not necessary to have such a rule as is suggested in the motion, provided we are all agreed that the ordinary, ethical business practices should be followed by members of this House.

Hon. Mr. DANDURAND: If the proposed committee is formed, I should like my honourable friend to be a member of it, and he would then realize what contacts are possible between members of Parliament and the departments.

Hon. Mr. GORDON: I regret very much that this motion will have the result of increasing the publicity that has been given to this affair.

Hon. Mr. CASGRAIN: I do not like to interrupt, but I may say that all this discussion is irregular. There is nothing before the Chamber.

Some Hon. SENATORS: Hear, hear.

Some Hon. SENATORS: Question.

Hon. Mr. GORDON: If my honourable friend would compose himself for a moment and not interrupt members who do not take up so much of the time of the House as he does, we should get along better. It seems to me that it would be wise for the honourable member for De Salaberry (Hon. Mr. Béique) to drop this matter. I agree with the honourable gentleman to my left (Hon. Mr. Beaubien) that any regulations recommended by a committee representing only one side of the House would not be satisfactory.

Hon. Mr. LAIRD: Honourable senators, lest there may be a misapprehension, I wish to dissociate myself from certain remarks which have been made by honourable members on this side. They have not spoken on my behalf in requesting that this motion should be withdrawn. Yesterday afternoon a majority of honourable members voted in favour of an amendment, which was properly before the House, and the honourable member from De Salaberry (Hon. Mr. Béique) gave notice of his motion. He and those who agree with him are responsible for the motion, and, speaking for myself, I have no desire that he should not move it, or that the matter should be allowed to stand until another time. I take the position that it is the duty of honourable members on the other side to move the motion and carry it—as they no doubt can do—and proceed with the formation of their committee. The committee should bring in its report, and if that report is not satisfactory to all honourable members an amendment may be moved. In the meantime I want it understood that I have no favours to ask, nor any requests to make, of my honourable friend from De Salaberry. I am not asking him to withdraw his resolution, but am suggesting, on the contrary, that he move it and proceed with the appointment of his committee.

Hon. H. J. LOGAN: Honourable senators, in the first place I desire to state that we all hope the honourable member for De Sala-

berry (Hon. Mr. Béique) will be here next year, the year after and for ten or fifteen years to come.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. LOGAN: No one can complain against his presence here, so long as he maintains his present virility and ability. After listening to the discussion, I am inclined to join in the request to the honourable member that he should not press his motion at the present time. The House is not in a fit humour, or rather in a fit—

Hon. Mr. BUREAU: Temper.

Hon. Mr. LOGAN: —not in a fit temper to consider this matter just now. Let us wait till we are in a calmer mood, till we get back to our ordinary commonsense point of view.

Hon. Mr. BUREAU: Let us wait till the heat wave has passed.

Hon. Mr. LOGAN: We are in the midst of a heat wave, as the honourable member for La Salle has suggested, and we are not able to consider the matter dispassionately. Since the Opposition has declined to take part—

Hon. Mr. BUREAU: I would not say "the Opposition."

Hon. Mr. LOGAN: I beg pardon.

Hon. Mr. TANNER: The other side.

Hon. Mr. LOGAN: I think that since honourable members on the other side have stated that they will not take part in this matter, it would be useless to go on with it at this time.

Hon. Mr. BEIQUE: I suggest that some honourable member move that the debate be adjourned until Wednesday of next week, so that we may have a little more time to consider this matter.

Hon. Mr. SHARPE: Make it six months.

Hon. Mr. McMEANS: Now or never.

Hon. PASCAL POIRIER: Honourable senators, I voted for my honourable friend's amendment yesterday, not because I was particularly enamoured with it, but because I thought the matter had gone far enough. It was necessary, I think, that the point should have been raised, but enough publicity has been given to the discussion to avenge—if I may use the word—the honour of the Senate, because the country must by now be aware that we are wide awake to any question affecting the honour of this honourable body. Now, none of us desires vengeance. I do not know whether or not my honourable friend the senior member for Ottawa (Hon. Mr. Belcourt) is guilty. He may not be guilty. At all events he is entitled to equity. Now, the course that has been proposed may be logical, and I find no fault with it, but its result would be to prolong this matter and expose it more vividly before the country. My opinion is that we have gone far enough and that it would now be in good taste to drop the whole matter.

An Hon. SENATOR: Hear, hear.

Hon. Mr. POIRIER: I will add my prayer to that of some of my honourable colleagues in asking my honourable friend on the opposite side to drop his motion. We do not need any rule of this House in order to be honourable. We all know what our duty is.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. POIRIER: Some of us may slip —errare humanum est—but that a man has slipped, or apparently slipped, is no reason why we should pursue him to the utmost; no reason why we should be Shylocks, asking for the pound of flesh. Enough has been said to punish any senator who might have been guilty. May I repeat that I do not pronounce the senior senator for Ottawa guilty, because the question is sub judice. I have at heart the honour of this honourable House as much as any of my colleagues, and my request would be that this whole matter be dropped.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BEIQUE: I would move that the debate be adjourned until Wednesday next.

Hon. Mr. WILLOUGHBY: That is not quite regular, but I am not going to object to it.

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

CORRECTION OF NEWSPAPER ERROR

Before the Orders of the Day:

Hon. Mr. DANDURAND: Before the Orders of the Day are called, I desire to protect the very little reputation I have as an English linguist. I know my limitations in the English language. I find that the Ottawa Journal cites me as saying yesterday:

> I draw Your Honour's attention to the fact that the main motion has been inoculated; three-quarters of it has been cut out.

I said, and the report in Hansard says, emasculated.

NEW WESTMINSTER HARBOUR LOAN BILL

THIRD READING

Bill 104, an Act to provide for a loan to the New Westminster Harbour Commissioners. —Hon. Mr. Willoughby.

HALIFAX HARBOUR LOAN BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Willoughby, the Senate went into Committee on Bill 103, an Act to provide for a further loan to the Halifax Harbours Commissioners.

Hon. Mr. Beaubien in the Chair.

On section 1—short title:

Hon. Mr. WILLOUGHBY: Honourable gentlemen on the other side were desirous of obtaining some information which I did not have when the Bills relating to New Westminster and Halifax harbours were under discussion previously. Mr. A. R. Tibbits, an officer of the Marine Department, is now present and I would ask that he be permitted to come to the floor of the House. If any honourable gentleman desires to ask any further questions, Mr. Tibbits may be able to furnish the information.

Hon. Mr. CASGRAIN: I simply asked how much money had been expended by the Government on Halifax harbour in the last twenty years.

Rt. Hon. Mr. GRAHAM: It would be necessary to include the expenditure by the Railway Department, because the Intercolonial spent most of the money.

Hon. Mr. CASGRAIN: I asked what amount had been spent by the Government. I did not name any particular department.

Hon. Mr. WILLOUGHBY: I think I have the data that will be suitable to the honourable gentleman's purpose. The expenditure by the Department of Railways and Canals for the Government railways was $12,830,122.16. Under the Harbour Commission the amount spent was $5,961,829.54. Thus the total up to date is about $18,000,000; but I do not think that comprises the railway tracks on the docks.

Rt. Hon. Mr. GRAHAM: No, I do not think it does.

Hon. Mr. CASGRAIN: I heard that the total expense of the harbour, including docks, sidings, sheds, etc., in the last twenty years, was about $50,000,000.

Hon. Mr. WILLOUGHBY: My honourable friend is quite right, but the amount I mentioned makes no allowance for the expenditures on railway connections; it covers only the marine end of the harbour.

Hon. Mr. WEBSTER: Could we have also the revenue and the expenditure of the harbour for the past year?

Hon. Mr. WILLOUGHBY: We will try to get that. It is not available at the moment.

Rt. Hon. Mr. GRAHAM: That would come from the Marine Department.

Hon. Mr. WILLOUGHBY: This officer is from the Marine Department, but he has not that information ready just now.

Hon. Mr. DANDURAND: Can the honourable leader indicate to us the total amount needed to complete the works that are being developed in the port? We were asked for a certain number of millions some years ago, and later for another appropriation, and now we are asked for a loan of $3,500,000. I should like to know whether this is the finality, and whether it is sufficient to complete the work.

Hon. Mr. WILLOUGHBY: The best the officer can say in a hurried answer to that question is that it will take $10,000,000 yet. The money is appropriated only from year to year, as the work is done. As already intimated, over $5,000,000 has been spent by the Commission.

Hon. Mr. DANIEL: I notice by the explanatory note that $5,000,000 was authorized for the harbour of Halifax by the Statutes of 1929. Has all that money been expended?

Hon. Mr. WILLOUGHBY: The amount expended by the Harbour Commission, $5,961,829, includes the expenditure of that $5,000,000 and in excess of that amount the sum of $961,829.

Rt. Hon. Mr. GRAHAM: Harbours, like railways, are never finished.

The Hon. the CHAIRMAN: Is the Committee ready to proceed with the Bill?

Hon. Mr. WILLOUGHBY: If honourable gentlemen want any further information, the officer is here.

Hon. Mr. DANDURAND: We might obtain some information as to the general plan of the development in New Westminster, and the extent to which the amount that is now asked will advance that plan.

Hon. Mr. CROWE: Last spring, I think, the Government made the statement that it intended to appoint a commission to look into the harbour boards of Canada, whether at Halifax, Saint John, Quebec, Montreal, Vancouver or New Westminster. Has that commission been appointed?

Hon. Mr. WILLOUGHBY: The work at New Westminster is for the completion of the elevator, and $300,000 more is asked. Already $700,000 has been spent; so the expenditure on the grain elevator there would total $1,000,000.

Hon. Mr. CROWE: I was asking the leader if the Government had appointed the proposed commission to look into these harbours. It was announced that the commission would examine into the expenditures on all the harbours before the Government granted any money for improvements.

Hon. Mr. WILLOUGHBY: I am informed that Sir Alexander Gibb, whom we know as an eminent English marine architect and engineer, is working on the other harbours; but apparently it is not intended that he should devote himself to small harbours such as the one in question.

Hon. Mr. CROWE: Is he working on the other harbours now?

Hon. Mr. WILLOUGHBY: He has been, and he is working at the present time.

Hon. Mr. DANDURAND: The question of expenditure by the harbour commissions has always left me in a quandary as to the proper control by the departments of the Government over that expenditure. The Government being in Ottawa, and appointing commissions to superintend work in various parts of Canada, I have always wondered whether the link connecting the department in Ottawa was sufficiently strong and solid to insure control of expenditure on those harbours. I suggested to Mr. Fielding as far back as 1922 that the Audit Board, or the commission which he brought into existence, should be given full power to supervise such expenditures. I have not had an opportunity of learning all about the activities of these harbour boards, but I know that in the city of Montreal very large sums have been spent by a Board of Commissioners composed of men who were not experts, and who met weekly or monthly. These expenditures are made on work done by contract or by day labour, and it seems to me that the officials of the boards are really the masters of the expenditures, and that the Government, through its engineers or auditors, does not exercise a proper supervision over them. I was not surprised at the suggestion made in another place, that it would probably be in the interest of Canada to have these commissions brought into closer contact with the Federal Administration. I have an absolutely open mind on the subject. My right honourable friend to my left (Right Hon. Mr. Graham) thinks that it is better to leave the administration of these ports in the hands of a commission, and perhaps he is right, but it seems to me that when such vast expenditures are being made there is not enough superintendence or control.

Section 1 was agreed to.

Section 2 to 7, inclusive, were agreed to.

On the title:

Hon. Mr. BEIQUE: Before the Committee rises I would suggest that as the expenditures of these harbour commissioners all over the country are very large, it might be desirable to appoint a commission of high-class men from various parts of Canada, who would act without salary and would be paid only their expenses, to supervise the expenditure of money. I think the appointment of such a body would in large measure reassure the public and curtail the expenditures. Further, such a body could inform the Government of what it had observed, and its advice would be very valuable.

Hon. Mr. CASGRAIN: The harbour commissioners are far from having a sinecure. In a busy harbour they have a great deal to do, and, unless I am mistaken, they sit every day. The honourable member from Stadacona (Hon. Mr. Webster) is a large shipowner and has considerable space on the wharves. I think he could give us some information in regard to this subject, because he is very familiar with it.

It is not entirely the money of the Government that is expended on a well administered harbour. If Montreal is in default this year, it is for the first time in its history. In the past the charges were fixed at a figure that would enable the harbour commissioners to balance the budget. The honourable member from Stadacona nods approval; so I take it that I am right.

I think that one general commission of the kind that has been suggested would make a mess of things. In a large harbour the commissioners require to be on the job all the time. They are more than ordinary officials. They meet with other men and engage in other activities, and do a great deal of good work, no matter who may have put

them there. As a rule, Montreal has been blessed with very able men, good harbour commissioners, and they have administered the harbour very well. This year will be the first in which there has been a deficit, and I think it is due to the construction of a large bridge. Perhaps the honourable gentleman from Stadacona could enlighten the Committee somewhat.

Hon. Mr. WILLOUGHBY: I think he could. He has been harbour commissioner at Quebec City.

Hon. Mr. WEBSTER: All our harbour commissions this year have been confronted with a very difficult situation. In addition to the millions of dollars already spent on the harbours of Canada, it will naturally be necessary to spend further large amounts of money on them in order to keep them up to a high state of efficiency. At the same time, in view of the depression through which we are passing, it is necessary that there should be a careful survey and check of the expenditures on our various harbours. Their revenues to-day are not meeting their expenditures. It is not fair that some of them, which are national ports, and the shipping interests that use them, should be unduly taxed on account of the other harbours. I think it would be advisable for the Government to consider the appointment of some commission or board, or an auditor, to scrutinize carefully the very large amounts involved. We know that through our expenditures for the Canadian National Railways and for harbours we are becoming very seriously affected, and caution should be exercised. I appreciate the fact that good service is rendered by the commissions at the various ports; nevertheless, pressure is very often brought to bear upon them to induce them to spend money for additional property. I think that large expenditures on these harbours might well be held over for another year, or until there is an increase in the traffic going through our ports. I just throw out the suggestion that the Government should keep a very careful check on all the expenditures on harbours at the present time.

Hon. Mr. BEIQUE: I offer my suggestion because, as we all know perfectly well, and as is quite natural, pressure is brought to bear by the people in the locality to get the harbour commissioners to spend as much money as possible in the neighbourhood. I think that a commission of the kind I have suggested, composed of men of high standing from different parts of the country, and whose recommendations would have considerable weight, would prevent that.

The title was agreed to.

The preamble was agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

OTTAWA AGREEMENT BILL

THIRD READING

Bill 80, an Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.—Hon. Mr. Willoughby.

ALBERTA NATURAL RESOURCES BILL

THIRD READING

Hon. Mr. WILLOUGHBY moved the third reading of Bill 84, an Act to amend the Alberta Natural Resources Act.

He said: Honourable members, this is a supplementary Bill. When the Dominion Government made its arrangement with the Province of Alberta for the transfer of its natural resources, the Act was to become operative as of the first day of August, 1930. It became necessary, apparently, to extend the time for the purpose of making certain adjustments, and it was extended by agreement to the first day of October, 1930. This Bill is merely to ratify that extension, which was agreed upon between the two Governments.

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

SASKATCHEWAN NATURAL RESOURCES BILL

THIRD READING

Hon. Mr. WILLOUGHBY moved the third reading of Bill 85, an Act to amend the Saskatchewan Natural Resources Act.

He said: This Bill is on the same lines as the last one. It extends the period for the adjustment of accounts between the Province of Saskatchewan and the Dominion Government from the 1st of August to the 1st of October.

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

DOMINION AGRICULTURAL CREDIT COMPANY BILL

THIRD READING

Hon. Mr. WILLOUGHBY moved the third reading of Bill 88, an Act respecting the Dominion Agricultural Credit Company, Limited.

Right Hon. GEORGE P. GRAHAM: Honourable members, I think this is the Bill that provoked a little discussion as to the action of what might be called the smaller insurance companies. If I remember correctly, it was suggested by my honourable leader (Hon. Mr. Dandurand) that the Superintendent of Insurance might be asked by the Government to express an opinion as to the desirability of insurance companies, particularly the smaller ones, investing moneys that are really trust funds and belong to widows and orphans, in this company. Has the Superintendent of Insurance expressed any opinion?

Hon. Mr. WILLOUGHBY: I do not know whether the Superintendent of Insurance was consulted or not when the Bill was going through the other House, but I should think it very likely that he was. What my honourable friend fears is the possibility of the small companies using some of their trust moneys to invest in what might turn out to be a not very good security.

Hon. Mr. DANDURAND: Not paying a dividend for some time.

Hon. Mr. WILLOUGHBY: Not so sure to pay dividends anyway. It would seem that the smaller insurance companies, excepting those situated in the Prairie Provinces, to which this Bill is particularly intended to apply, might be rather reluctant to invest their money in this scheme under present conditions. No company would be under any obligation to do so. There are not many insurance companies with headquarters in the West, and most of them are mutuals. I think under the circumstances the Bill should be allowed to pass, because I presume the point that has been raised has been considered to some extent by those who have sponsored the measure. I feel that no good purpose would be served now by our getting the opinion of the Superintendent of Insurance, for he could only theorize on the result of investments in the Agricultural Credit Company. Mr. Beatty and others are behind the company, and I take it that the Dominion Government will be behind it too, as well as perhaps some of the Provincial Governments. So apparently the matter will be handled by responsible people.

Hon. Mr. DANDURAND: Insurance companies large and small will, of course, exercise their discretion in deciding whether they should invest in these shares, and, if so, to what extent. But a difficulty may arise when the reserves and securities of any company which makes such an investment are being inspected by the Superintendent of Insurance, whose duty it is to examine minutely into their value with a view to seeing that the interests of policyholders are protected.

Hon. Mr. WILLOUGHBY: And he is very ready to act, too.

Hon. Mr. DANDURAND: I think he has a clear understanding of his duty on that score.

Hon. Mr. McLENNAN: Should we be casting a reflection on companies which are perfectly solvent, though small, if we suggested that they should not subscribe for any of these shares, or if we put a limit to the number which they might purchase?

Right Hon. Mr. GRAHAM: I have no doubt that the Senate will pass this Bill, but I should like to refer again to the situation that confronts the smaller insurance companies. The return to policyholders—I will leave shareholders out of consideration in this discussion—is determined by the rate of interest earned on their companies' investments. Now, it is well known that interest rates have been declining rapidly; so much so that at the end of last year many insurance companies were wondering what the next developments would be. Many of the securities held by them have dropped in value, and the Superintendent of Insurance cannot avoid taking note of this when making his annual inspections. Generally speaking, the companies that have their investments in government and municipal securities have not been troubled at all about the situation, although the bonds of some foreign governments, particularly in the Argentine and other South American countries, have depreciated to such an extent as to cause concern to owners of large blocks. The Insurance Department has of necessity to be very strict, particularly in times like this, for one of its duties is to give protection to policyholders. As I have stated before, I am somewhat in a quandary, because all the insurance companies have been asked to invest in this Agricultural Credit Company.

Hon. Mr. WILLOUGHBY: Small companies too?

Right Hon. Mr. GRAHAM: Oh, yes. But it will be left to their discretion whether they do so. Now, it may be that some companies will feel that their paramount obligations to policyholders preclude the investment of any of their funds in the securities of a company which, in my opinion, will not pay a dividend. Speaking frankly, I rather think that such an investment might almost be considered as a donation. Will a company which takes that view be pointed to by other companies and the people of the country as a concern that has not the interests of Canada at heart? It will not be easy for the directors of smaller companies to make up their minds whether to invest in this scheme or not. Of course, I am in favour of the Bill and trust that all the good results expected of it will materialize. But I feel that the smaller insurance companies, which derive their revenue from ordinary sources, ought to bear in mind their great responsibilities and think twice before they invest in a security that might weaken the confidence of policyholders by causing them to fear that they are not amply protected.

Hon. J. McCORMICK: Honourable senators, the smaller insurance companies, to which my right honourable friend from Eganville has been referring, are generally very careful about the security for their loans. It is not likely that they will be called upon to invest in this scheme, for the chartered banks and big trust, loan, mortgage and insurance companies will be able without any difficulty to furnish the $5,000,000 required. One of our large mortgage corporations is operated in affiliation with a wealthy trust company. I understand from some of the men who are interested that the plan of operation is similar to that which has been put into effect in Minnesota and the Dakotas. I notice from a report made after two years' operations of the Minnesota fund, which is of about the same amount as will be required here, that at no time has more than 60 per cent of it been out on loan, because the borrowers have constantly been making repayments. I think it would not embarrass some of our larger companies, like the Sun Life, for example, to subscribe one-quarter or one-half a million dollars to this scheme, but I feel that comparatively small companies should not be asked to make any investments that would weaken the security of their policyholders.

Hon. Mr. BEIQUE: I think we may rest assured that the public interest will be safeguarded by the Superintendent of Insurance, who is a first-class man and keeps a close watch on all the corporations under his jurisdiction.

Hon. Mr. WILLOUGHBY.

Hon. F. B. BLACK: Honourable senators, I agree with the right honourable gentleman from Eganville (Right Hon. Mr. Graham) that a man who is on the directorate of one of the smaller insurance companies ought not to lose sight of his responsibilities. But, after all, there is nothing in this Bill that will make it compulsory for any company to invest in the shares in question, nor has anything been said in another place to indicate that compulsion will be used. The directors of insurance companies, small and large, are on the whole intelligent people who look after the interests not only of those whom they have insured, but also of their stockholders. I do not think that any company selling fire, life or any other class of insurance will subscribe to a scheme of this kind unless it feels that its revenues and reserves are large enough to take care of a possible loss. It is true that we have a most efficient Superintendent of Insurance. He is supposed to inspect the books of companies every year, and I know from experience that he makes his inspections almost quarterly. But we could not place upon the Superintendent of Insurance the responsibility of refusing to allow a company to invest in a security which is recommended by the Government that employs him. I think the companies and their directors will safeguard their interests, and I do not feel there is very much danger in this Bill along the lines suggested by my right honourable friend.

Hon. H. W. LAIRD: I have a great deal of sympathy with the position of my right honourable friend from Eganville (Right Hon. Mr. Graham), because I happen to be similarly situated, as a director of one of the smaller life insurance companies, and I fully realize the responsibility that will be assumed by any of these concerns in dealing with the proposal to become interested in the Agricultural Credit Company. It should be remembered, however, that this Bill refers only to companies incorporated by an Act of the Dominion Parliament, and has nothing to do with companies that have provincial charters. Therefore the restrictions placed upon these provincially incorporated companies, as regards the securities in which they may invest, will not be changed by this Bill. Nevertheless there is a disposition on the part of companies of a public nature to support a public movement like the scheme now proposed. I recall that at the time the Government of Ontario proceeded to raise an endowment of one or two million dollars for research work, the insurance companies were appealed to for support, and the appeal was

made in such a way that to refuse to participate—had one desired to refuse—in that commendable undertaking would have been embarrassing, to say the least. The same will be found true in this case. The Superintendent of Insurance is required by law to exercise very strict supervision over securities in which an insurance company may invest. In fact, he is a czar in his power to dictate in this matter. This Bill merely adds to the list of securities which are legal investments, by specifying the shares of the Dominion Agricultural Credit Company. As I understand the present law, the only stocks in which a life insurance company can invest are common stocks which have paid a dividend of, I think, 6 per cent for the preceding five years.

Hon. Mr. BEIQUE: Yes, five years.

Hon. Mr. LAIRD: This company being new, of course it has not declared any dividends, and special legislation is required to make its shares a legal investment for insurance companies with Dominion charters. It is all very well to say that it is within the discretion of an insurance company to determine whether it will invest in this scheme, but it seems to me that there is an implied suggestion, or at least expectation, that the companies will invest in it. If small companies failed to subscribe for any shares there might be no official criticism, but the larger companies might point to such failure as an indication of inability to help in this laudable undertaking for the assistance of agriculture. As my right honourable friend from Eganville (Right Hon. Mr. Graham) has said, this legislation will result in problems for the directors of small companies. There has been a very material shrinkage in the value of some securities, particularly of South American countries, and under the circumstances the smaller companies might be disinclined to lend their funds even for such a good purpose as is contemplated by the sponsors of this Bill.

Hon. Mr. McLENNAN: May I ask the honourable gentleman whether the Superintendent of Insurance passes on investments before they are made, or afterwards?

Hon. Mr. LAIRD: He passes on investments after they are made, at the time of his inspections, which occur reasonably often.

Hon. Mr. McLENNAN: But the insurance companies do not have to get his approval before they invest?

Hon. Mr. LAIRD: No. They know what the law is, and they would have to dispose of any securities that he declared did not conform to the legal requirements.

Hon. Mr. GORDON: The objects of the Dominion Agricultural Credit Company are so praiseworthy that I cannot doubt for a moment that the capitalization required will be forthcoming. I think, however, that the advances should be made by corporations or individuals who can afford to forego dividends on their investments. My own candid opinion is that any insurance or other company which cannot afford to forego revenue from the money invested should not participate. In regard to the remark of the honourable gentleman from De Salaberry (Hon. Mr. Béique) as to the efficiency of the Superintendent of Insurance, I would point out that while his department is very efficient, an investment might be made in this credit company a long time before the Superintendent would have an opportunity of knowing anything about it; therefore at the date of his inspection the money could not be recalled.

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

TRUST COMPANIES BILL

THIRD READING

Bill 89, an Act to amend the Trust Companies Act.—Hon. Mr. Willoughby.

POST OFFICE BILL

THIRD READING

Bill 107, an Act to amend the Post Office Act.—Hon. Mr. Willoughby.

INTERPRETATION BILL

THIRD READING

Bill 105, an Act to amend the Interpretation Act.—Hon. Mr. Willoughby.

COMPANIES BILL

THIRD READING

Bill 108, an Act to amend the Companies Act.—Hon. Mr. Willoughby.

CONSOLIDATED REVENUE AND AUDIT BILL

SECOND READING

Hon. G. D. ROBERTSON moved the second reading of Bill 102, an Act to amend the Consolidated Revenue and Audit Act.

He said: Honourable members, this Bill is a re-draft of the existing Consolidated

Revenue and Audit Act, which I think has been on the Statute Book of Canada since 1878. It is very similar to the English Act of 1866. The main purpose is to provide for the establishment of the office of Comptroller, in order that closer supervision and more accurate systems of accounting may be adopted by the Canadian Parliament.

Perhaps it might be wise just to quote a memorandum that I have before me, which, while avoiding minute detail, is yet sufficient to give honourable members the necessary information.

This Bill is undertaken for the purpose of securing a better system of control over revenues and expenditures. At the same time, advantage was taken of the opportunity to clarify and modernize the debt section.

At present, the departments operate by the use of letters of credit. On behalf of the department concerned, the Auditor General applies to the Minister of Finance for credits. Once these are granted, the departmental officers draw against these credits, and at regular intervals send lists to the Finance Department, giving the number of each cheque, the date and the amount. As the cheques are cashed they are cleared through the bank and sent to the Finance Department, where they are checked off the list, previously supplied, and any inaccuracies are brought to the notice of the issuing department.

The Finance Department does not audit the issues. This is done by the Auditor General, and for that purpose the departments supply him with such information as is necessary to satisfy his officers. When he is satisfied that the issues were properly made, he applies for a cash cheque from the Minister of Finance to satisfy the Bank for the payments it has made under the letter of credit.

In theory, this is supposed to prevent the misuse of the credits made available by the letter of credit, because, if the Auditor General is not satisfied in respect to any payment, the Bank cannot get a clearance. However, in practice, if the cheque was regularly signed, it would be unjust to penalize the bank; so each year Parliament is called upon, by votes in the estimates, to regularize expenditures made for purposes not authorized by Parliament. Moreover, government cheques are cashed by all banks, although now cleared through one bank, so, if a department wants to take the risk of criticism, it can continue to issue cheques after the credit is exhausted, and all the Auditor General can do is to report the fact. In the past ten years overpayments reported to Parliament by the Auditor General have amounted to $8,678,656.15, the largest amount in any one year being $2,055,030.86, in 1922.

To prevent this, the Bill provides that all cheques shall be issued by one office, the Comptroller of the Treasury; that they shall be drawn directly against the Receiver General's account maintained in the several chartered banks; and that they be cleared direct from the cashing bank to the Minister of Finance, where they will be handled by a branch which will not be under the control of the Comptroller.

The Bill provides that before the Comptroller issues a cheque he must satisfy himself that there is available—

(1) a parliamentary grant which may be charged with the expenditure;

(2) that there is in that grant an amount sufficient to pay the cheque, and at the same time leave available sufficient money to meet all charges earmarked against the vote which will come for payment during the year.

To accomplish this, there must be a greater centralization of the general accounting, and the establishment of commitment ledgers. In the public service there are over 1,300 persons employed on expenditure accounting and, in addition, the Auditor General's staff numbers 200. The Bill provides that the Minister of Finance may take over the departmental accounting services, or part of them. It is premature to forecast what will be necessary. A careful survey must first be made by the Comptroller of the problems of each department, and the services that the various deputy ministers will require from their accounting branches. But it should be possible to centralize many routine operations, such as the writing of cheques, etc. It should also be possible to have one accounting office do all the work for some small departments. For example, the East Block houses the Privy Council, the Prime Minister's office, the Governor-General's Secretary's office, External Affairs, Justice, Solicitor General and the Finance Department. No one of these departments is large, nor do the activities of each vary greatly from year to year. It should be possible to have their expenditure accounting transacted by one unit of the Comptroller's branch.

In respect to auditing: The Auditor General has at present an unenviable task. He has to try to supervise expenditures—an impossibility as the Act now is—and then audit the self-same disbursements. In brief, one hand must be prepared to pen a criticism of what the other may have done in the way of signing requisitions for money. No office in the public service should be freer from restraint than that of the Auditor General. He is not a civil servant in the ordinary definition of the word; he is an officer of Parliament, whose duty it is to state, clearly and without fear, what the Government has done with the credits granted to it by Parliament. The present system of making his office a party to expenditures debases his status, and is a check on his freedom. Therefore the Bill gives him complete freedom from any onus in respect to expenditures, and gives him free access to all records in making his investigations and reports.

To secure this end, three changes are necessary, and are provided by the Bill:

1. To place all expenditure responsibility on the Minister of Finance—through the office of the Comptroller of the Treasury;

2. To give the Auditor General broad auditing powers;

3. Having relieved the Auditor General of the services he was called upon to perform as a departmental administrative officer, to establish his salary by statute as Parliament's investigating officer.

In respect to the wording of the various sections, may it be pointed out that this Bill will govern the operations of an important section of the administrative machinery, and that that machine must adjust itself to the varied problems of a huge and far-flung public service, with each branch having problems singular to itself. Therefore the aim has been

to establish principles, and leave to the Treasury Board and the Governor in Council the making of regulations as the need arises. The fundamental principle is that the spending of public moneys is the prerogative of Parliament, and therefore no civil servant should be clothed with such great authority that he can force his private will on Parliament, or defeat the purposes for which Parliament has appropriated moneys. As a check on departmental officers, a Comptroller of the Treasury is being established. In turn, there must be a check on him; so he is to be a subordinate to the Minister of Finance, and all deputy heads have the right of appeal to the Treasury Board against any decision of the Comptroller. Therefore, the final responsibility for all expenditures rests on the Government, which is subject to the will of Parliament; and to give Parliament an intimate knowledge of every transaction it has its own independent agent, the Auditor General.

The Bill is divided into nine parts. The principles of the old Act are maintained throughout Parts 1, 2, 4, 6, 7 and 8. Part 3 covers the new expenditure procedure, and Part 5 broadens the powers of the Auditor General as an auditing officer. Part 9 is the necessary enabling section to get the Act into operation. Therefore there are really three new divisions—3, 5 and 9. The rest are either reprints, or sections adjusted to the new scheme, but unchanged in principle.

In another place this Bill was referred, I think, to the Committee on Banking and Commerce. The Committee studied it and made two amendments; not of great consequence, perhaps, but probably wise precautions. One was to provide that the Comptroller might be removed for cause regarded as valid, such as dilatoriness in discharging his duties. The other amendment was that he was to retire on reaching the age of seventy years. With the exception of these two amendments the Bill has been passed in another place without change from the original Bill as submitted.

Perhaps this explanation gives a reasonably clear idea of the purposes of this Bill. There are simply three sections amended to conform to present needs in an Act that has been in force since 1878, and the changes made therein are described.

If the Senate desires, I have no objection to the reference of the Bill to our Committee on Banking and Commerce, though I do not recognize any great necessity for that procedure. We are in the hands of the Senate in this respect.

Hon. Mr. BEIQUE: For my part I think the explanations that have been given are ample and to the point, and that the Bill is in the proper direction, and I should have no hesitation myself as to our passing the Bill.

Right Hon. GEO. P. GRAHAM: Honourable members, to men who have had charge of large spending departments, this Bill will not be unwelcome, though I may tell the Government that it will have a great deal of trouble in putting it into effect. Difficulties will be found. New regulations will be needed every week in order to meet some new condition or some strong opinion expressed by the heads of departments who hitherto have managed finances and expenditures. I do not agree with the young men over at the other end of this building that the Comptroller will be no good after seventy. The man who is to be appointed to this position will have to be not only a man of ability, but a man of strength, both physically and mentally, because the objections that he will have to meet, some of them well founded, will not be easy to overcome. The departments have branches that for years have managed in large measure, under the direction of the Treasury Board and the criticism of the Auditor General, many expenditures that now undoubtedly will come under the Comptroller. There are in a department many details that seem insignificant, and the men in the department will find it irksome to have to send them over to the Comptroller. It is like securing all legal advice from the Department of Justice: it is more easily said than done. For example, a question of some minor detail, perhaps about a contract, comes up in one of the departments—Railways, Public Works, Marine. If the legal adviser of the department is called in, it can be decided in five or six minutes; whereas, if all such questions have to be submitted to one department, it may be necessary to wait two weeks before getting an answer, and consequently the business of the country may be delayed. These are points that will come up in connection with expenditure, so far as the office of Comptroller in concerned.

This leads me to say that the man appointed should be not only a man of strength of character, but a man of many parts, and he ought to be appointed without delay. From that I pass to another suggestion—that a deputy minister ought to be appointed without delay; and then to the higher suggestion that a Finance Minister should be appointed without delay. I said earlier in the session that no human being could successfully carry on, in all its ramifications, the work that was being carried on by the Prime Minister, and continue to do so for long. Either his health must fail or business must be neglected.

We are living in an age of change, and systems must change. It is not difficult for me to support a Bill that tends to a closer scrutiny of expenditures in all departments. In saying this I am not reflecting on the Civil Service. I believe that the Civil Service of Canada is as good as any other in the world, and there are some very able men in it; but, in view of changing conditions, I am in favour of the Bill. I would suggest again, however, that this country ought to have within a very few weeks a Finance Minister, a Deputy Minister of Finance, and this Comptroller. In the end, the responsibility for the administration of this proposed law and for the control of the finances will fall upon the Finance Minister, and this means that there should be a deputy for consultation and recommendation. There is no use in passing the Bill and appointing a Comptroller unless there are other officials ready to shoulder the burdens that must come to them under this new law, because it is going to be more burdensome in its detail, perhaps, than it looks.

Hon. Mr. ROBERTSON: Will the Senate permit me to make another brief statement, although perhaps it is out of order? The necessity of a closer scrutiny of public accounts is apparent, I think, to every honourable member. In consequence of a brief experience in the administration of a rather large sum of money during the past few months, there was adopted a system commonly called the pre-audit. Every account is scrutinized by the Auditor General after it has been examined by our department, and when it is found correct, the Finance Department issues the cheque. An effort was made to systematize payment by having the accounts rendered at stated periods, usually about once a week. All the accounts that had accumulated during the week were checked and a statement of them made, which with the proper vouchers and the approval of the various provinces, municipalities and councils engaged in unemployment relief, was submitted to the Auditor General, and finally to the Finance Department. I am unaware of any complaint in this regard having reached the Auditor General, the Finance Department, or the department administering the fund. I therefore feel that it is quite possible to carry out the provisions of this Bill smoothly. No doubt questions will arise from time to time which will necessitate regulations to govern certain actions, or the laying down of certain principles for the guidance of officials; but I do not think there will be friction, and I believe that the benefits flowing from this legislation will be far greater than any difficulties that may result.

Hon. Mr. DANDURAND: I have looked through the Bill, and I do not see any point upon which I can offer any criticism or suggestion for improvement. Of course, it very often happens that the difficulties appear only in the operation and application of a measure. If that should occur, we are here to amend or modify. Unless some member of the Senate desires that the Bill should go to the Committee on Banking and Commerce, I am not disposed to ask that it be referred to that committee.

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

THIRD READING

Hon. Mr. ROBERTSON, with the leave of the Senate, moved the third reading of the Bill.

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

ROYAL CANADIAN MINT BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Willoughby, the Senate went into Committee on Bill 101, an Act respecting the establishment of the Royal Canadian Mint.

Hon. Mr. McLennan in the Chair.

Sections 1 to 3, inclusive, the preamble, and the title, were agreed to.

The Bill was reported without amendment.

DIVORCE BILLS

SECOND AND THIRD READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the second and third times, and passed:

Bill Q1, an Act for the relief of Lily Adèle Caswell Dyson.

Bill R1, an Act for the relief of Thora Mary Balfry Walker.

Bill S1, an Act for the relief of Marjorie Kathleen Younger Cooper.

Bill T1, an Act for the relief of Frank Godsoe Wilson.

INCOME WAR TAX BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 109, an Act to amend the Income War Tax Act.

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

THIRD READING

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

Hon. Mr. DANDURAND: This is a money Bill, to which we must submit, and I have no objection to its being given the third reading now.

Right Hon. Mr. GRAHAM: Is not this legislation retroactive?

Hon. Mr. DANDURAND: Yes.

Right Hon. Mr. GRAHAM: Does it mean that corporations which have paid their taxes for 1930 and have receipts showing payment will get another bill for taxation for the same period and will have to pay a further amount?

Hon. Mr. ROBERTSON: I think that is so, and that it is also being provided that the retroactive portion of the tax bill will not necessarily have to be paid before the end of the present year, and will be without interest.

Right Hon. Mr. GRAHAM: It is hard enough to have to pay it without interest.

Hon. Mr. DANDURAND: That is very kind.

Right Hon. Mr. GRAHAM: It is extremely kind to a corporation that has had a big deficit for some years to allow it to pay this without interest; but the retroactive principle in legislation, particularly when it has to do with taxation, is not right.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. GRAHAM: Not only is it unpleasant, but I think it is not right.

Hon. Mr. WILLOUGHBY: The times are out of joint.

Right Hon. Mr. GRAHAM: In my humble opinion we shall not get them into joint in this way. A corporation having a small income may have made its calculations as to revenue and expenditure for the year 1930; it may have gone the length of paying some dividends that would not have been paid if it had been known that this extra expenditure was going to be saddled upon it. It is impossible for a business concern to know what to count on if the Government can come in eleven or twelve months later and impose a tax in addition to the one already paid, for which the Dominion Government has given a receipt. The people will be able to say that a receipt from the Government for the taxes payable for 1930 is of no value except to show the amount paid: it is not a receipt in full.

Hon. Mr. STANFIELD: A receipt that I saw for payment on the 8 per cent basis simply acknowledged the amount of money received; it did not purport to be a receipt in full.

Right Hon. Mr. GRAHAM: It may not have stated that it was in full, but of course a receipt is in full if it is for the whole amount payable. I want to urge that it is unfair not to let the business interests know at least one year in advance what their taxation is to be. At the present time they have enough financial difficulties, and unless they know what taxes they have to meet they cannot make their calculations with anything like accuracy.

Hon. Mr. DANDURAND: As is implied in the statement of my right honourable friend, a company's entire budget may be upset. A company that paid a dividend before it knew of this additional tax may find that its profits were not large enough to justify that dividend. Perhaps it would be a violation of the law, though, I suppose, no court would deal harshly with any alleged offender in this respect.

Hon. Mr. ROBERTSON: While there may be force in the opinions expressed by my honourable friends, I would point out that it might happen that the Budget would be brought down before the end of the fiscal year, and in the Budget Speech the rate of taxes might be substantially changed.

Right Hon. Mr. GRAHAM: But suppose a man has paid his tax before that.

Hon. Mr. ROBERTSON: A man would not have paid his tax before that time, because it is not due until the 30th of April.

Right Hon. Mr. GRAHAM: Most people, or at least a great many, pay before the 30th of April.

Hon. Mr. ROBERTSON: A great many do not. Furthermore, as my honourable leader (Hon. Mr. Willoughby) pointed out, things are somewhat unusual this year. Additional revenue was rendered necessary by the heavy expenditures that had to be made for emergency purposes, and we have not seen

the end yet. Therefore the Government in its wisdom, if wisdom it be, saw fit to add 2 per cent to the rate of income tax on corporations of a certain class. I do not think that the public will severely criticize the Government's action, because these taxes are not imposed upon concerns that cannot reasonably afford to pay them. It certainly is preferable to tax corporations who can bear the burden rather than individuals who could not. I feel that the retroactive provisions of the Bill will not have the effects feared by my right honourable friend. The Budget is usually brought down before the end of the fiscal year, or before income tax payments are made. I trust that there will be no objections to the Bill—

Right Hon. Mr. GRAHAM: The objections stand, but the Bill will go through.

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

TARIFF BOARD BILL

FIRST READING

Bill 47, an Act to provide for the appointment of a Tariff Board.—Hon. Mr. Willoughby.

ADJOURNMENT

Hon. Mr. WILLOUGHBY moved that when the Senate adjourns to-day it stand adjourned until Monday next at 8 o'clock p.m.

Hon. Mr. BLACK: Honourable senators, I should like to ask the leader of the House if the meetings of the committees which are scheduled for to-morrow will be held? I know that at least two committees have been asked to meet to-morrow: one is the Committee on Banking and Commerce, of which I am Chairman, and the other is, I think, the Committee on Public Buildings and Grounds. So far as the Banking and Commerce Committee is concerned, the Chairman is ready to sit if the other members are.

Right Hon. Mr. GRAHAM: Can committees sit when the House is adjourned?

The Hon. the SPEAKER: I am informed that it is not the practice for committees to sit when the Senate is adjourned.

Hon. Mr. BLACK: I think they can sit, with the consent of the House. That is the reason I have brought up the matter.

Hon. Mr. WILLOUGHBY: I think it is in order for them to sit if they want to.

The Hon. the SPEAKER: I understand not.

Hon. Mr. BLACK: They may sit if they have the consent of the House, may they not?

Hon. Mr. WILLOUGHBY: I will abide by the ruling of His Honour the Speaker, who says that committees should not sit.

The Hon. the SPEAKER: Unless special permission is given by the House.

Hon. Mr. BLACK: That is what I understood.

The motion was agreed to.

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

THE SENATE

Monday, July 13, 1931.

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

Prayers and routine proceedings.

NEW SENATOR INTRODUCED

Hon. Arthur Marcotte, of Ponteix, Saskatchewan, introduced by Hon. W. B. Willoughby and Hon. A. B. Gillis.

PRIVATE BILL

FIRST READING

Bill 30, an Act respecting the St. Lawrence River Bridge Company.—Hon. Mr. Hardy.

CANADA SHIPPING BILL

FIRST READING

Bill 97, an Act to amend the Canada Shipping Act.—Hon. Mr. Tanner.

NATURALIZATION BILL

SECOND READING

The Senate resumed from Wednesday, July 8, the adjourned debate on the motion of Hon. Mr. Willoughby for the second reading of Bill 3, an Act to amend the Naturalization Act.

Hon. W. B. WILLOUGHBY: Honourable members, I have little or nothing to add to what I said to you when this Bill was called before. The object of the Bill is to bring our legislation into conformity with the Hague Convention, which, I believe, is going to be applied to all the British Dominions. This measure, like most Naturalization Acts, has to do with the status of the wife and how she

may acquire or how she may lose her rights, which became very insecure in this country by reason of the Cable Act passed in the United States a few years ago. The provisions of the Bill are very simple, and deal with the nationality of the wife in case of marriage to a foreigner.

Hon. RAOUL DANDURAND: Honourable members, I am really sorry that the honourable member for Rockcliffe (Hon. Senator Wilson) is not in her place to extend her congratulations to the Canadian Parliament and the Hague Conference upon having given women a more dignified status. Heretofore, in the matter of nationality, the wife has had to follow the whim of her lord and master, being obliged to accept his nationality. He might leave one country, go to another and ask for letters of naturalization there; then, after some years, he might come back and resume his original nationality. The nationality of the wife changed with that of her husband.

Hon. Mr. WILLOUGHBY: She is now a person.

Hon. Mr. DANDURAND: Now she is a person and has full control of her own nationality. I am speaking not only on behalf of women, but on my own behalf as well. I have always felt that they should have the right to decide under what flag they would live and to what country they would bear allegiance.

Hon. ROBERT FORKE: There came under my observation a rather peculiar case in which a Canadian-born girl ultimately found herself in the position of being without a country.

Hon. Mr. WILLOUGHBY: Such a thing is possible.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Beaubien in the Chair.

Sections 1, 2 and 3, the preamble and the title were agreed to.

The Bill was reported without amendment.

ROOT VEGETABLES BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Willoughby, the Senate went into Committee on Bill 87, an Act to amend the Root Vegetables Act.

Hon. Mr. McLennan in the Chair.

Hon. Mr. WILLOUGHBY: This Bill has been brought into Committee of the Whole in consequence of the honourable senator from Queen's (Hon. Mr. Sinclair) having intimated to me that he would like to add something to it. His amendment has mostly to do with the publication of notice as to the regulations. Otherwise, I believe, the Bill is acceptable.

Hon. Mr. DANDURAND: Would the honourable gentleman explain?

Hon. J. E. SINCLAIR: As the honourable leader has stated, I intimated to him that I had an amendment which was possibly of minor importance, yet of sufficient consequence to bring it to the notice of the House. This Act is an important one, as it provides full control of the grading and selecting of table stock or commercial potatoes in Canada. We in the Maritime Provinces are interested in the working out of this legislation. As honourable members may know, the system dealt with in this Act has been in operation for about ten years. The first measure was introduced, I think, in 1922, and was in force from that time until it was amended in 1929. The standard of the grade was defined in the first Act and is stated in section 3 of the Revised Statutes of 1927, chapter 181. Under this Act the Department made regulations for the inspection of potatoes and the carrying out of the many details connected therewith. In 1929 an amendment was passed which placed the standard of the grade entirely under ministerial regulation. The regulations are now published in pamphlet form and distributed to persons who ask for copies, and to persons who are on the mailing list of the Department. The standard of the grade is a very important feature of the Act, while the other regulations are not so important. However, the Department felt that in order to make it flexible, so that it might be changed as conditions demanded, it was better to set the standard by regulations. It has been a little difficult for many who are interested in the enforcement of the Act to follow even the few changes that have been made in the standards of the grades and in the regulations. The amendment that I am proposing to-night is a very simple one. It merely provides that the regulations, which are made by the Minister and the Department, shall be printed in front of the Dominion Statutes of each year in which there are any changes.

There is an example of this to be found in the Migratory Birds Convention Act, Revised Statutes of Canada, 1927, chapter 130, section 4, subsection 3, which requires that the regula-

tions made under the Act shall be printed in the Prefix to the Statutes for the following year.

The adoption of this amendment would make it easier for all who are interested in the working out of this Act to keep posted on the regulations, which are subject to change from time to time. It would be much easier to find the regulations in the Prefix to the Statutes than to search for them in the Canada Gazette, as is necessary under the present statute.

Hon. Mr. DANDURAND: Where are the regulations published at present? Are they published in the official Gazette?

Hon. Mr. SINCLAIR: Yes, they are published in the Canada Gazette, as provided for in section 3 of the amending Act of 1929.

I now move that Bill 87 be amended as follows:

A. By adding thereto as clause 1 the following:

1. Subsection two of section three of the Root Vegetables Act, chapter one hundred and eighty-one of the Revised Statutes of Canada, 1927, as amended by chapter seven of the statutes of 1929, is hereby repealed and the following substituted therefor:—

"(2) Such regulations shall come into effect from the date of publication in the Canada Gazette, except as provided in paragraph (e) of subsection one of this section, and shall be printed in the Prefix in the next succeeding issue of the Dominion Statutes."

B. By renumbering the present clauses 1 and 2 as 2 and 3 respectively.

My reason in proposing the amendment is to make it easier for producers, dealers and members of the legal profession to follow the changes made from time to time in the regulations. If this amendment is accepted, those who have access to the annual Statutes can easily turn up the regulations and see what they are for the year. It is true that sometimes we go too far in allowing the departments to legislate by ministerial regulation or Order in Council. It may be contended, as an objection to my amendment, that this Act only calls for the regulations to be ministerial, while in the other Act which I have cited the regulations are made by Order in Council. This objection, however, should be overlooked, because in the Root Vegetables Act the regulations are the main part of the legislation, it being left to the Department to change them as conditions may warrant in the view of the Minister. I think that my amendment would be of benefit to the people and would be well received by all those interested in the Act.

Hon. Mr. FORKE: Would the honourable member explain why it is necessary to have changes made every year in the grades, say, of potatoes?

Hon. Mr. SINCLAIR: I have had a good deal to do with the Root Vegetables Act. It has not been necessary to make many changes in the regulations. In fact there have been only one or two minor changes since the standard was first established. But there are, both in Canada and in the neighbouring country, different crop conditions that do require some little changes. This Act applies to American produce as well as to Canadian produce. It is international in its scope. This Bill will bring American potatoes under the same standard in our market as our own potatoes, and I think it is a good move to do that. Our potatoes go from the Maritimes chiefly to the United States, and they go out under the grades we set by this Act. I think it is only fair and right that my amendment should be passed, as I believe it would help the Act.

Hon. Mr. McMEANS: May I ask the honourable gentleman if the Government appoints inspectors to look after the enforcement of the provisions of the Act?

Hon. Mr. SINCLAIR: Yes. They are appointed by the Civil Service Commission.

Hon. Mr. McMEANS: So it costs considerable to carry out the provisions of the Act.

Hon. Mr. SINCLAIR: No. There is a fee of $3 per carload for the inspection, and that fee carries the expenses of the Act.

Hon. Mr. GILLIS: Is the object of the amendment to regulate the grading of potatoes?

Hon. Mr. DANDURAND: If I understand my honourable friend's amendment, it is simply for the purpose of having these regulations printed in the next issue of the Statutes. That is easily done, and it would help a considerable number of people who are interested in the Act. If instead of delegating to the Department the right to make regulations it were necessary for Parliament to amend the Act, the amendment would appear in the Statutes. The honourable gentleman asks that the periodical changes in the regulations be printed likewise. There may not be many. Such changes may have been more numerous in the experimental stage. I think that gradually there would be evolved a satisfactory basis, and few changes in the regulations would be needed. I quite understand, however, that

persons interested in the Act would like to have easy access to those regulations. The amendment simply asks that the new regulations be printed in the next issue of the annual Statutes after those regulations come into force.

Hon. Mr. WILLOUGHBY: We have had some conversation about this matter. The objection was the inaccessibility, at times, of the regulations. The Bill applies only to the importation of new potatoes in June, July and August. The Department can publish the regulations now in the Gazette, but whether it does or not, I do not personally see any objection to the amendment.

The amendment of Hon. Mr. Sinclair was agreed to.

Sections 2 and 3, as renumbered, were agreed to.

The preamble and the title were agreed to.

The Bill, as amended, was reported.

THE JUDICIARY

MOTION FOR SPECIAL COMMITTEE

The Senate resumed from Thursday, July 2, the adjourned debate on the motion of Hon. Mr. McMeans:

That a Select Committee of this House be appointed to examine into the system of appointing judges as at present existing, with power to send for all papers and examine witnesses under oath, and report upon the necessity of taking some steps by which the number of judges may be reduced, and the system of appointments equalized.

Hon. A. B. GILLIS: Honourable senators, I think we should compliment the honourable gentleman from Winnipeg (Hon. Mr. McMeans) on bringing this matter before the Senate, as the problem of making proper provision for the judiciary is a very important one.

Though it may not be necessary, I desire to make it clear that in the few remarks I am about to make, it is not my intention to cast any reflection whatever on the judiciary of Saskatchewan. I am acquainted with virtually all the judges in that province, and have no hesitation in saying that they are all men of high standing in their profession, and their integrity is above reproach.

I wish to trace as briefly as possible the growth of the judiciary in the provinces of Alberta and Saskatchewan. Before the provinces were formed we had a Territorial Government, under the leadership of Mr. Haultain (now Sir Frederick), one of Canada's ablest statesmen, who laid the foundations of our laws and institutions, and under whose administration party politics were unknown. When the provinces were formed, those halcyon days came to an end, as Mr. Haultain's politics were not in accord with those of the governing powers. He was thrown to one side and one of their own type was put into his place.

In the Territories, which are now Alberta and Saskatchewan, we had in 1905 six court judges, and I think I may say that in those days we had more litigation, and perhaps more crime, than at present, and no inconvenience was experienced by the public. For example, I might point out that prior to 1905, in the town in which I live the Supreme Court sittings were held twice a year and often occupied several days, and all litigation was dealt with. Now we have a District Court judge sitting there twice a year and the sitting scarcely ever lasts more than part of a day. The last sitting, I believe, occupied about half an hour. Of course, criminal and civil cases involving more than the District Court is allowed to deal with are attended to at the judicial headquarters; and I may add that during the past five years only two cases of this nature, to my knowledge, arose in that district.

In 1911, when the first census was taken after the provinces were formed, we find that Alberta, with a population of 373,000, had five Supreme Court judges and six District Court judges; and at present, with a population of approximately 660,000, there are five Court of Appeal judges, four Supreme Court judges, and sixteen District Court judges. If the same ratio had been continued as was in effect in 1911, Alberta would to-day have nineteen judges instead of twenty-five.

With regard to Saskatchewan we find that in 1911, with a population of 454,000, we had thirteen judges. In 1931, with a population of approximately 880,000, this province has thirty-five judges. If the same ratio between judges and population that existed in 1911 had been continued, Saskatchewan would now have only twenty-five judges.

We will now take the number of judges in Saskatchewan, together with the salaries paid:

Five judges in Court of Appeal, receiving a total salary of.. ..	$ 46,000
Seven King's Bench Court judges, receiving a total salary of.. ..	64,000
Twenty-three District Court judges, receiving a total salary of.. ..	149,500
—or a grand total of salaries of..	$259,500

—over a quarter million dollars.

Now we will take the number of cases tried in each court:

Court of Appeal, in 1930—146 cases—
Cost per case for judge's salary alone. $400
King's Bench Court—638 cases—
Cost per case for judge's salary alone. $100
23 District Court judges tried 1,173 cases—
Cost per case for judge's salary alone. $127

I might point out that each District Court judge is paid $5,000 by the Federal Government and $1,500 by the local Government.

In addition to these, we have twenty-three sheriffs and their deputies and other court officials. I am not certain as to the remuneration paid to the sheriffs, but I am safe in saying that it will amount to at least $3,000 each, which would make a total of about $75,000; and I may add at least another $40,000 for other court officials, such as deputy sheriffs etc. etc.

When speaking to one of the District Court judges not long ago, I enquired whether he was kept busy. He replied that there was very little to do. I then remarked that I thought it was a mistake to have so many judges and so many judicial districts. He fully agreed with me, and said that he had told the then Attorney General that it was a great mistake to form so many judicial districts. That gentleman agreed with him and said: "What can I do? They are all clamouring for these districts all over the province." Another gentleman told a friend of mine not long ago that he was going to seed for want of something to do.

We naturally ask ourselves the question, What is the reason for this unnecessary increase in organization? There is only one conclusion at which we can arrive, and that is that it was to a considerable extent the result of political expediency. The party which held power in Saskatchewan for twenty-five years must assume the entire blame for this situation. It must be remembered that, while the Federal Government pays the salaries of all judges, every judicial district that is formed involves a heavy tax on the province in which it is situated, as court-houses have to be built and a staff of officials employed.

The only course I can see for the betterment of the present conditions is that when the present judges retire no new appointments should be made until the numbers are reduced to the actual requirements of the province. I think I am safe in saying that the requirements of Saskatchewan could be fully met by, say, three judges in the Court of Appeal, five King's Bench Court judges, and ten District Court judges. A number of the existing districts could be easily amalgamated and placed under one court and one staff of court officials without any inconvenience to the public. This would be a great saving to the country.

If the reduction which I have suggested could be brought about, the saving to both the local and the Federal Governments would amount to over $160,000 annually. This is the situation as it exists in the province. As I stated at the beginning, I do not wish to reflect upon the judiciary, but I think it is deplorable that the cost of it is almost unbearable. I should like to quote a statement that was made by a great jurist, probably one of the greatest in Canada, Hon. R. M. Meredith, ex-Chief Justice of the Province of Ontario. The following is a newspaper despatch dated London, Ontario, June 25:

A staunch supporter of the campaign of Senator L. McMeans, K.C., of Winnipeg, to reduce the number of Supreme Court judges in Canada to some basis comparable to England's is found in Hon. R. M. Meredith, former Chief Justice of Ontario.

In an interview the ex-Chief Justice suggests to Senator McMeans some tests designed to show that taxpayers of Canada are overloaded with a top-heavy judiciary, and that thousands of dollars can be saved with fewer woolsacks in the land.

Senator McMeans' claim is that England, with 50,000,000 population, has 32 judges, while Canada, with 10,000,000, has 136 judges in the higher courts. From which it would seem that England, at Canada's rate, should have 680 judges, or Canada, at England's rate, could get along with six. The Winnipeg barrister will move in the Senate for an investigation into a means by which Canada's quota can be cut.

"If Mr. McMeans' proposed inquiry is made thoroughly," said the ex-Chief Justice, "it should end in the saving of many hundreds of thousands of dollars annually. As Wallace Nesbitt, president of the Lawyers' Association of Canada and head of the Law Society of Canada, said: 'The bench in Canada is glaringly overstaffed.'"

Hon. Mr. SHARPE: Hear, hear.

Hon. Mr. GILLIS:

"Not long ago there were two local judges in most of the counties of Ontario, though in most of them one capable man was more than enough. But eventually the number was reduced to one in most of the counties. The result was a great saving of money and greater efficiency. And yet local judges might be further reduced in number by quite one-half, with still greater efficiency, if the counties were grouped and the law simplified, as it should have been long ago. And the same applies to the higher court judges, if really competent men are appointed in each case. Let Mr. McMeans ascertain accurately the number of cases actually decided in each of the Ontario courts of appeal separately, last year or any other year, and compare them with each other and with the number decided in the same time in the English court of appeal. If he desires more evidence of the glaring overmanning of the Ontario courts, so too he might ascertain accurately the number of days in each year each court sat and for how long each day. Compare the results with that which the English courts did in these respects.

I was not able to get the information with regard to the number of days the English courts sit. I believe that would be interesting from the standpoint of Saskatchewan, because I am confident it would show even more glaringly the overmanning of the judiciary of that province. He goes on:

"The provinces have the right to fix the number of judges in the courts, but if extravagant in this respect the Dominion has an overruling control, in the power to reduce their pay, so that the total cost may be no more than it should be."

I do not know what could be accomplished by the committee. In fact, I imagine that not very much could be done just now, but I think it would be worth while to inquire very carefully into the situation and ascertain whether we can in any way lessen the present burden. May I repeat that I think the honourable senator from Winnipeg (Hon. Mr. McMeans) is to be congratulated on having the backbone to bring this matter up for consideration.

Hon. Mr. CASGRAIN: The honourable gentleman says there are fifty million people in England. Where did he get that information?

Hon. Mr. GILLIS: I am quoting the honourable gentleman from Winnipeg.

Hon. Mr. CASGRAIN: But my honourable friend ought to know better than that. There are not fifty millions.

Hon. Mr. GILLIS: Forty-five.

Hon. Mr. CASGRAIN: No. I have the book here and it says thirty-eight millions in England.

Hon. Mr. GILLIS: What about Scotland and Ireland?

Hon. Mr. CASGRAIN: There would be about four millions there.

Hon. Mr. GILLIS: I am only quoting figures.

Hon. Mr. CASGRAIN: I think we should not let a thing like that go.

Right Hon. Mr. GRAHAM: Scotland will not give the information.

Hon. Mr. GILLIS: The difference is only a matter of a few hundred thousand. I am informed that the population of England, Ireland and Scotland is 49,700,000.

Hon. Mr. CASGRAIN: You cannot count Ireland. It is independent, and the British judges do not go there.

Hon. Mr. GILLIS: The North of Ireland.

Hon. Mr. CASGRAIN: There are not many people there. That is the Black North.

Hon. Mr. GILLIS: It will be found that the figure 50,000,000 is virtually correct.

Hon. Mr. CASGRAIN: No, no.

Hon. Mr. McMEANS: And Wales is included.

Right Hon. Mr. GRAHAM: Well, there are sufficient anyway.

The motion of Hon. Mr. McMeans was agreed to.

Right Hon. Mr. GRAHAM: How many will there be on the committee?

Hon. Mr. FORKE: Put on all the lawyers.

TARIFF BOARD BILL

MOTION FOR SECOND READING POSTPONED

On the Order:

Second reading of Bill 47, an Act to provide for the appointment of a Tariff Board.—Hon. Mr. Willoughby.

Hon. G. D. ROBERTSON: Honourable senators, it was suggested at the opening of the present sitting that this Order could as well be taken up to-morrow afternoon as to-night. There is no objection on this side of the House to that procedure, so far as I know, and I therefore move that this Order be discharged and placed on the Order Paper for to-morrow afternoon. Before the motion is put, may I say that a short time ago the honourable gentleman from Rougemont (Hon. Mr. Lemieux) suggested that some statement should be made to the House concerning existing unemployment conditions as observed on my recent trip through Western Canada. As the evening is not far advanced, I am prepared to give a brief résumé of the situation as it appeared up to the time of my return, a little more than a week ago, if the House cares to listen to it to-night.

Hon. Mr. FORKE: Hear, hear.

The motion was agreed to, and the Order was discharged and placed on the Order Paper for to-morrow.

ECONOMIC CONDITIONS IN CANADA

DISCUSSION

Hon. Mr. ROBERTSON: Honourable senators, I do not intend to make a speech or indulge in any argument on the question of unemployment. Rather, I purpose to state to the House what I believe it desires to hear, namely, my convictions, formed after a brief tour through Western Canada, in regard to the existing situation, as to how serious the problem is, and so on. I should like to preface my remarks with a few observations that I think have a distinct and direct bearing on the problem.

Unemployment is not a condition peculiar to Canada, as all honourable members know. Within the past week a report has come to us from Geneva, which is a sort of central source of information on world affairs, to the effect

that at the present moment there are more than 25,000,000 unemployed people in the countries that are members of the League of Nations and perhaps a couple of additional countries. This naturally causes one to look about for some reasons for this world-wide depression.

In visiting Western Canada recently one was impressed by what one saw and heard, and was prone to look about for the causes of the conditions that prevailed. Across the continent, particularly in the three Prairie Provinces, it was apparent that the 1931 grain crop was going to be substantially below normal. Perhaps there has not been in the last decade a year when crops have been as bad as they appear to be this year, especially in the Province of Saskatchewan.

On the Pacific coast another phase of the problem presents itself. The greatest industry of British Columbia, lumbering, is in about the same predicament as the wheat-growing industry of the Prairies. This is not because of any lack of a crop to be harvested, nor because men are not available to garner it. One therefore looks about to find the reason. Upon inquiry the inevitable reply is heard on every hand: "There is no market for the products of the British Columbia forests." And when one asks, "Why is there no market?" the answer is, "Because immense quantities of forest products are being produced by the Soviet Republic"—

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. ROBERTSON: —"to the detriment of Canadian business." Upon inquiring a little further, one learns that Great Britain's requirements alone run into billions of feet of lumber and other forest products, but that Britain has found it particularly profitable to trade with Russia. One then naturally looks to see what is being paid by Britain for the privilege of trading with Russia. Reference to the records that come from the seat of the League of Nations show that up to October 1 last the credit issued to Russia by the world, to enable that country to compete with our Empire and other countries in the world markets, exceeded 85,000,000 pounds sterling, and that by October 1 next it will amount to something more than 110,000,000 pounds sterling, of which 30 per cent or more, according to the records, will have been supplied by Great Britain herself. But what have we found on reading the newspapers that were placed on our breakfast tables this morning? That Britain is coming to her senses and is now considering the restriction of her trade with a country that is obviously making a deliberate attempt to destroy her trade, as well as the trade of other parts of the British Empire. So I reach the conclusion that the forest industry of British Columbia, which until recent times has been perhaps the most important industry of that province, has been seriously affected by the conditions that I have mentioned.

The Prairie Provinces this year will produce something less than 200,000,000 bushels of wheat, as compared with a total of approximately 500,000,000 bushels produced three years go. Furthermore, the price procurable for wheat in the world market is to-day slightly over 60 cents, whereas three years ago it was twice that figure or more. So, with the wheat crop reduced by more than 50 per cent, and the price cut to half, it is inevitable that the purchasing power of the people of the Prairie Provinces will be greatly curtailed; indeed, well nigh destroyed.

Hon. Mr. CASGRAIN: Twenty-five per cent.

Hon. Mr. ROBERTSON: I hope to be conservative in my statement.

Hon. Mr. CASGRAIN: The honourable gentleman is a long way short of the truth.

Hon. Mr. ROBERTSON: At any rate, with that groundwork of information, one naturally inquires: What is the unemployment situation in Western Canada? I confess without hesitation that it is more serious than I had believed before I went west. The fact that the prices of farm products and many other commodities have declined in Eastern Canada, and that the purchasing power of the people throughout the whole country is materially lessened, in consequence of conditions that probably no Government could have prevented, has brought about a serious situation; but when one comes to consider the existing unemployment conditions, the extent of their influence, and the prospects for the future, it becomes necessary to make a deeper and more detailed examination if one is to reach a reasonably correct conclusion.

In British Columbia the lumbering industry is in the state that I have already described. The fishing industry, which is a large and important one, is not flourishing, very largely because of market conditions. Metalliferous mining is at a low ebb, and the transportation industry, so far as its ability to employ men is concerned, has rapidly declined. On the 15th of June last, because lumbering activities were so greatly curtailed, or virtually non-existent, approximately 7,000 men who ordinarily earn their livelihood in the lumber woods and in the mills were to be found in the coast cities, principally in Vancouver. Up

to the 1st of July, 2,200 had been added to that number. Many of the men engaged in the mining industry, apart from coal mining, have drifted from the interior of the province to the coast.

Quite apart from all this, and for reasons at which one can only guess, a very substantial number of men have gravitated to Vancouver by what is known as the side-door-Pullman route. In other words, they have sought free transportation via freight trains. While estimates as to the number of these men vary, it is not uncommon to find from 50 to 100 of them on one freight train, and official estimates that I have received show an average of 200 a day.

Strange to say, these men travel both east and west. I stood on the station platform at North Bend, talking with a railway employee while the train on which I was travelling was taking on water, and so on. He told me that an east bound freight was just pulling out, and a moment later one of the yard staff stepped up and said: "There are fifty-two on that one." The employee to whom I was talking said that another freight was waiting to pull out after the departure of the train on which I was travelling, and as we left the station I counted forty-three men standing in the doors of the box-cars of that west bound freight.

That transient traffic has become—not a menace, but a condition that is somewhat alarming to the people in the small railway towns along the line. Day after day, they receive almost constant calls for aid, principally in the form of food, whenever a new contingent of men appears. I do not believe that these men really appreciate the burden that is thrown upon those people.

Hon. Mr. CASGRAIN: Is it not a fact that the men move backward and forward because people will not feed the same men day after day?

Hon. Mr. ROBERTSON: As I observed a few moments ago, one can only guess at the reason for this condition. My honourable friend may have guessed well. At any rate, the problem on the Pacific coast is aggravated by reason of the fact that the railroads end there and these travellers have to turn back.

Right Hon. Mr. GRAHAM: That is their terminal.

Hon. Mr. ROBERTSON: Yes, that is their terminal, and many of them, having travelled so far, are in no hurry to make the return journey. The result is that the situation in Vancouver is most depressing.

Alberta presents a somewhat similar problem. When we dig a drain to run water into a pond, the water runs until the pond is filled. When the pond is filled the water backs up. Vancouver represents that pond, and the railways the channel through which the water passes. The flood of persons is beginning to back up, and this affects Edmonton and Calgary. As we proceeded westward we read in the press—and later it was confirmed on the ground—that in some municipalities the throngs of unemployed were being served food very sparingly, while in others, which found the burden too great, they received none at all. That, of course, threatens a difficulty of another nature. Apart from the cities of Edmonton and Calgary the situation in Alberta was not quite so acute, although an area in the central portion of Eastern Alberta has been affected by a drought that threatens almost a crop failure. In other parts of Alberta the crops are more promising, though not normal.

In Saskatchewan the outlook is gloomy indeed. In that province there are 303 organized municipalities, each about 180 square miles in extent. Seventy-four of those municipalities, comprising an area of 15,000 square miles, present a scene that might be described as utter desolation: there is no grain, no grass, no possibility of a wheat crop this year. Furthermore, over a considerable portion of that area there have been three successive crop failures. It is true that a larger area is affected this year than last year, and a considerably larger area than two years ago. It is a most depressing view.

People who have travelled through that western country in years gone by know that in the areas surrounding the cities of Regina and Moose Jaw the crop prospects in the month of June were almost always splendid, and usually they were fully realized. This year fields have been covered and roads obliterated. In some places, were it not for wire fences, you would not know that you were on a road. The ditches along the roads have been filled, not with sand, but with gumbo, which is finer than sand, and nowhere is there a sign of grain, grass, or even weeds.

The day following my arrival in Regina I motored over considerable territory—we drove, I think, 123 miles in one afternoon—and throughout that area, in which there are several once-prosperous towns, not one bushel of wheat will be garnered this year. That experience was perhaps calculated to impress one with the seriousness of the situation. I would not charge honourable members of the Saskatchewan Government with such an intention, but one could scarcely escape the feeling that they had possibly placed in the show-window the selected view they wanted us to see. However, there was no gainsaying the fact that there is an area there of about 15,000 square miles, occupied, on a conserva-

tive estimate, by 150,000 people who must be fed if they are to survive—and they must survive.

In a rough sketch of the Province of Saskatchewan, which, I think, appeared in the Ottawa papers this morning, there is shown a triangle representing seriously dried-out areas, and other parts of the diagram give a reasonably accurate picture of other portions of the province, where the crop failure is not so serious. Nowhere except perhaps in a few districts in the farthest north can there be said to be a normal crop.

There were evidences in the Province of Saskatchewan, not of any turmoil or agitation, only of distress; but there were parts of the province in which, even among the farming communities, many strange doctrines were being preached, and this was due, I think, to dire extremity rather than to any belief in such doctrines.

In the western portion of the Province of Manitoba the situation largely repeats itself. From Macgregor westward there were no good crops. The southern portion of Manitoba has suffered severely; not so much up to the middle of June as immediately after that date, when there were some very hot days, the temperature rising to 107 degrees, and hot, withering winds mowed down those crops in a way that was very pitiful to behold. But since our return very substantial rainfalls have come to the Province of Manitoba, and also to Saskatchewan, and hope has considerably revived, so that to-day our farmer friends on those Western Prairies are quite confident that they will be able to produce enough feed to meet their requirements, and thereby save the animals that at one time they feared would have to be sacrificed.

East of Macgregor, or a point not far from Brandon, the crops in Manitoba looked quite promising. But there exists in that province another problem that merits more than passing consideration. More than half the population of Manitoba is in Greater Winnipeg, a city of approximately 275,000 people, and immediately surrounding it are seven suburban municipalities with considerable population. That locality is faced with a most serious problem of unemployment. Year after year people of almost all nationalities diverge from the city of Winnipeg out to employment opportunities throughout Manitoba, in the woods, in the pulp mills and the lumber mills, or in the cutting of cordwood, large quantities of which are used in Winnipeg for fuel. But this year such opportunities have not occurred. The pulp and paper industry is dormant, with the exception perhaps of one mill. Because of the crop conditions and the price levels the farmers did not this year apply for the agricultural labour which they were accustomed to engage in previous years. So, instead of an exodus of unskilled labour from the city of Winnipeg to the agricultural and forest areas of Manitoba, the workers this year have remained in the city of Winnipeg. They are a source of anxiety there, because they have no immediate prospect of employment, and they certainly look to the provincial and federal authorities to do something to relieve their need.

Hon. Mr. CASGRAIN: Are those people naturalized Canadians?

Hon. Mr. ROBERTSON: I assume, because it is contended in Winnipeg, that many of them are not. Half of the unemployed in the city of Winnipeg are said to be foreign-born. It is contended that very many have come within the past two or three years, and that fact is advanced as an argument to show why the authorities that brought them here should either take care of them or return them to their native land. One official statement that was given there was to the effect that more than 1,000 would gladly return to their native countries if given the opportunity, but they could not pay their fare. I am not so sure that that is correct. I am quite sure that the opportunity to go was given to some, but they did not desire to take advantage of it.

Coming to Port Arthur, at the head of the lakes, which was the last point visited before our return to Ottawa, we found approximately 8,000 unemployed men in what are known as the Twin Cities, Fort William and Port Arthur, and it was officially and authoritatively stated—and on request the statement was repeated—that 90 per cent of all those men were of non-British stock. I do not know to what extent they may have become naturalized, but it is certainly true that in Alberta, Manitoba, and the western and northern portions of Ontario, where men have been engaged in the forest and mining industries, a large proportion of the population are not Canadians by birth, and a good many are not Canadians by naturalization.

Perhaps a few words might be said about the need of having regard for our own Canadian citizens, born in Canada. Thousands of them saw service overseas about fifteen years ago, then came home to Canada and attempted to re-establish themselves in civil life in gainful employment, and they have not been able to do so in any permanent way. Of course it was well known to us all, and it was probably inevitable, that during the war period, when wage rates as well as living costs rose substantially, non-Canadian citizens did not

respond to the call of this country to nearly the same extent as did our Canadian-born men. Instead, they went into industrial activities of all sorts. Since our boys came home they have found it increasingly difficult to re-establish themselves in the industries in which they were previously engaged. Under the operation of the law of supply and demand, the Canadian or Britisher very often found himself in competition with a man from some country in continental Europe, as to who would work for the lower wage. That, honourable gentlemen, is one of the serious phases of the problem that we face to-day. I think it will perhaps be possible to find employment for a large number of men in Canada. Surely in a young country such as this, with its vast and as yet undeveloped resources, there should be work for all. But all men cannot be employed as common labourers. There are in Canada skilled tradesmen, many of them returned soldiers, who find themselves to-day unemployed, and unable to get employment even with pick and shovel. Therefore I think that the energies of the Government and the Parliament of Canada ought to be particularly directed towards alleviating the burden on our own Canadian people.

In Eastern Canada we have our unemployment problems, but, thank God, we have no crop failures this year; and the spirit that I think pervades the minds of the people in Eastern Canada is a spontaneous desire to be helpful in relieving the distress existing in the newer provinces. The need will be especially urgent where 150,000 people must be fed and clothed, because this is the third year of their affliction, and clothes do not wear for ever, nor boots for very long, and such articles will need to be supplied. I am greatly cheered by the knowledge of the fact that even the ladies' organizations in Eastern Canada are enquiring what they can do to be helpful. They want to begin at once the preparation of supplies of clothing necessary to withstand the rigours of a Prairie winter. In my opinion that speaks volumes for the helpful spirit that exists as between one part of the Dominion and another.

But, though there are no serious crop failures in Eastern Canada, there is a substantial amount of unemployment. In the northern areas of both Ontario and Quebec there are thousands of men who heretofore earned a livelihood by working in the forests and the mills, whether lumber mills, paper mills or pulp mills, and in the production of raw material for those industries. To my knowledge many of those men have gone into the newer districts of our northland and eked out a living for themselves and their dependents by cutting down trees, hauling pulpwood to the paper mills, and clearing their land at appropriate seasons, and have thus gradually worked themselves into the ownership of a farm. But this year the opportunity upon which they chiefly depended for some ready cash to support their families while they were clearing their land is not available. Therefore great distress exists throughout the northern portions of both these provinces, and it is perhaps more acute there than in the older and more settled parts. That is a matter which I am sure is receiving the attention of provincial authorities in both provinces at present, and in view of the conditions surrounding those important industries I think the Provincial Governments feel that a responsibility rests upon them to do their utmost to solve, or at least to relieve, that difficult problem.

In other parts of Canada I find—not from personal visit, because time has not permitted me to visit the other provinces—that the municipalities and provincial authorities are full of confidence that better days will dawn than those through which we are just now passing, both as to the bounties of nature and as to the price standards that prevail for agricultural and forest products.

However, we need not feel unduly pessimistic. It must be remembered that in that vast wheat area in Western Canada there has never been a time, so far as I could learn, when there were more than three crop failures in any one district in successive years. Within ten days of the date when hope had been absolutely given up for this year throughout a large area in the Western Provinces, rains fell that soaked the ground for fifteen inches in depth. As a result, the people there to-day are holding up their heads with hope, and telling what crops they are going to have next year. I saw them sowing oats on the 25th day of June, because it had rained that morning, and they got a heavier rain than they had had for three years. "The heaviest rain in three years," was the comment made on the shower that fell when I was in Regina. To one who has a fair acquaintance with those Prairie Provinces it is marvellous to see how quickly crops grow in the sunlight in the warm days from June onward, and how quickly they mature. Another year may hold a much brighter prospect, and many regard the present stringency in the crop situation as being a not unmixed blessing, because of the low price. They say some other country will have its turn at famine next year and we shall probably find ourselves coming back as rapidly as our fortunes have dwindled.

The Prime Minister intimated on the 1st of July that before Parliament rose there would be brought down a measure calculated to give substantial relief, particularly in the stricken areas and where unemployment is most severe.

I omitted mention of the Maritime Provinces because of the fact that nature smiles over most of that part of our country. Crops promise to be bountiful. There is perhaps little unemployment, except in the Island of Cape Breton, and in the central part of the Province of New Brunswick, where the people depend very largely upon lumbering. Recently, in the harbour of Saint John, there was a disastrous conflagration which has made it necessary to do extensive reconstruction work before the next winter navigation season opens. I expect that large numbers of men, running into the thousands, will be engaged in rebuilding what that fire destroyed, and that the work will materially relieve the unemployment problem in the Maritimes, particularly in New Brunswick. Holding the view that employment is far better than direct relief, commonly called charity, I hope and intend, so far as I am able to direct matters, that the men required for the rehabilitation of that harbour will be drawn first from the city of Saint John and then from the Maritime Provinces, if they can completely supply the need. Perhaps I shall be criticized for that stand, and some honourable members may disagree with my view, but I am sure that there would be far more criticism and disagreement if an attempt were made to bring men from distant provinces to meet local employment requirements. I feel that if conditions in the Maritime Provinces can be largely met through employment, it is much better that the money which otherwise would be spent for relief of unemployment in that area should be spent in other parts of the country. Of course, time will tell what we shall have to do, for conditions vary week by week and new needs might occur that would change one's opinion as to the necessity of relief here and there. But I earnestly submit that unemployment relief funds should be distributed only where acute unemployment exists, and ought not to be spent, as experience has shown they have been in some instances, in localities where they are not required to relieve such conditions. Therefore I trust that when the Bill to which the Prime Minister has referred is brought down, Parliament will deal with the problem by meeting the need that it conceives to exist, and not by attempting to distribute a certain amount of money over a certain number of provinces or among a certain number of cities or municipalities. I hope it will be agreed that the aid to be given by the Federal Government should be for the purpose of alleviating human distress and not with any intention of supporting or encouraging improper uses of public funds.

Hon. J. P. B. CASGRAIN: I am familiar with Saskatchewan, because I laid out a great many townships there. This distress in southern Saskatchewan is not new. While Sir Wilfrid Laurier was in power the people there had crop failures. At one period they did not produce enough to furnish seed for the following season, and I remember the Government advanced money for the purchase of seed, or supplied seed to the people, who were to pay it back. It will take many years before the planting of trees can have much effect in preventing soil drift. Near Three Rivers, between that city and Montreal, the soil has been drifting like a sea of sand, and the Quebec Government has tried to overcome this condition by planting trees. It seems to me that after all these years of experience with conditions in southern Saskatchewan—it was in 1883 that I was there—the Provincial Government should inquire whether it would be wise to move the people to other parts. To the north there is excellent land, where crop failures are almost unknown, where the summers are cooler and there is more rain. Why encourage people to remain in the southern part, where there is such uncertainty? Would it not be better to make one sacrifice, even if it were a big one, and get the people away from there? On the old French maps of North America this very region and all around Old Wives' Lake were called the Great American Desert, as honourable members will see if they go to the library and look up the matter. The buffaloes used to be unable to find grass in that section. Ought not the Government inquire—I do not say that any definite action should be taken—whether it would not be better to move the people to another place, where the crops are more certain? At times there have been sand storms that filled the ditches, as the honourable Minister of Labour says. I have heard that on two occasions men had to dig out trains—in one instance it was a freight train and in the other a passenger train—that were stalled by sand storms. Well, it will take years and years to overcome a soil drift, once it has commenced. Some agriculturalists say that the people out there have taken everything out of the soil and put no fertilizer into it, have not enriched it at all, and now it is so light that the wind blows it away like fine dust.

In regard to the unemployment that we have in Canada, would it not be better to commence by feeding our own people and trying to return to their own countries all the foreigners who have no right to be here? Many of these people keep shifting about by train. For instance, in Montreal we have a great number of such visitors from Toronto just now, who have come to take advantage of our charitable institutions, like that of the Grey Nuns, which give food to whoever applies to them. One would think that Montreal had enough to do to look after its own people; and Toronto too. These men are always on the move, as the Minister of Labour says. They wear out their welcome in one place, and some go east and others west.

Right Hon. Mr. GRAHAM: Brockville feeds them when they are going either way.

Hon. Mr. CASGRAIN: I am quite willing, so far as I am concerned, to vote my share to help, because I know what it is for a man to come home and find a wife and children with nothing to eat. I know that as well as anybody else. But really I believe that before this winter begins the Government should try to get rid of those people who are here improperly. Some of them came here by very strange ways. Many of them did not comply with the immigration requirements. If only a small proportion of them were weeded out, it would be easier to find work for the rest of the people and conditions would be greatly relieved. I do not see why Canada should be made a sort of refuge, to the advantage of other countries. Let every nation take care of its own in a case like this. As the Minister of Labour said, it is awful to think that there should be want in a young and rich country like this when there is plenty. Why should our people be starving while we have so much wheat that we cannot use it or sell it all? Perhaps the Government could be a go-between connecting the man who is hungry with the man who has too much wheat. Many unemployed men if given money will buy cigarettes. For years Lord Atholstan kept a place for feeding men in Fortification Lane, near the Star office in Montreal, where I have seen a line-up three or four deep. You would hear not a word of French spoken there, and very little English, but every other language. Some of the men would take out a 25-cent box of cigarettes and have a smoke. If they could buy a box of cigarettes they could afford to buy something to eat.

Hon. Mr. ROBERTSON: If I may reply to my honourable friend, I can assure him that what he apparently thinks of as doles have largely been in the form of food for men and their dependents. Many municipalities throughout Canada have declined to give men cash, and some have the rule that if a man owns a motor car or a liquor permit he cannot get relief.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. ROBERTSON: In every case they require that 80 per cent of the relief given to a distressed family shall be in kind and not more than 20 per cent in cash. Of course, a certain amount of cash is generally needed to take care of certain obligations.

I was listening with interest to the first part of my honourable friend's remarks and waiting to learn when he was in southern Saskatchewan, and when he stated it was in 1883 I began to wonder what that part of the country looked like then. I do not believe there were many crop failures in Saskatchewan in 1883.

Hon. Mr. SHARPE: He was thinking of the buffaloes.

Hon. Mr. ROBERTSON: I was told by a man that 1929 was the first year that they had had a crop failure in Regina or district during the quarter century that he has been there. Apparently there was nothing of the kind from 1911 to 1921, and I do not recall that Sir Wilfrid Laurier's benign countenance shone over that province during any part of that period.

Hon. Mr. WILLOUGHBY: He visited the people there and brought them rain once.

Hon. Mr. ROBERTSON: I remember that a friend of mine in Moose Jaw, a train conductor, broke his nose. I do not think he did it intentionally at all. It was the result of a train accident.

Right Hon. Mr. GRAHAM: I was there, and it was the conductor who got his nose broken; not Sir Wilfrid. I was with him.

Hon. Mr. ROBERTSON: I will accept my right honourable friend's version.

When William Cullen Bryant first beheld the Prairies he did not think of them as the Great American Desert. Rather, his conception was that of a man who had seen a vast area of waving acres, filled with life, and who looked forward to the time when a great population would be living there. One can well understand why the country was referred to as a desert on old maps. I remember—and I am not very old yet—having seen United States maps showing what are now Arizona, New Mexico, and Oklahoma, which is at present one of the wealthiest states in the Union, as unsurveyed and un-

known territory. I think the memory of a few of Bryant's observations can still inspire us to believe that there is a great future for Western Canada. I recall memorizing when a schoolboy part of his poem on the Prairies, and being struck by the beauty of these opening lines:

These are the gardens of the Desert, these
The unshorn fields, boundless and beautiful,
For which the speech of England has no name—
The Prairies. I behold them for the first,
And my heart swells, while the dilated sight
Takes in the encircling vastness. Lo! they stretch
In airy undulations, far away,
As if the Ocean, in his gentlest swell,
Stood still, with all his rounded billows fixed,
And motionless for ever.—Motionless?—
No—they are all unchained again. The clouds
Sweep over with their shadows, and, beneath,
The surface rolls and fluctuates to the eye;
Dark hollows seem to glide along and chase
The sunny ridges. Breezes of the South!
Who toss the golden and the flame-like flowers,
And pass the prairie-hawk that, poised on high,
Flaps his broad wings, yet moves not—ye have played
Among the palms of Mexico and vines
Of Texas, and have crisped the limpid brooks
That from the fountains of Sonora glide
Into the calm Pacific—have ye fanned
A nobler or a lovelier scene than this?
Man hath no part in all this glorious work:
The hand that built the firmament hath heaved
And smoothed these verdant swells, and sown their slopes
With herbage, planted them with island groves,
And hedged them round with forests. Fitting floor
For this magnificent temple of the sky.

Right Hon. Mr. GRAHAM: Our honourable friend had better start a night school for poetry.

Hon. Mr. ROBERTSON: We can look forward with very great confidence to the better days that will dawn. Copious rains have recently fallen in the West, but during the immediate period of distress, which in some cases amounts to destitution, it will be not only the duty but the privilege of Canada as a whole to succour the people who are in need.

Hon. RAOUL DANDURAND: I may say in reply to my honourable friend, when he suggests that something be done to remove some of the settlers from southern Alberta and southern Saskatchewan into more fertile districts, that in the eight years during which I sat on the other side of the House I had occasion to bring to this Chamber one or two legislative amendments intended to meet the difficulty. It was realized by all Westerners in this Chamber, and by all other members who knew something of those regions, that the opening of some sections to settlement had been improvident. Regulations, based upon legislation, were passed to allow the settlers to transfer to other quarter sections, and, if I am not mistaken, arrangements were made with the provinces of Saskatchewan and Alberta to assist in making the transfer. I do not know to what extent that was accomplished, but facilities were provided for the carrying out of such a policy.

Speaking generally of the problem of unemployment, I suggested at the session of last September that inasmuch as we had to face the results of unemployment, and as people in need would present themselves to ask for relief, a census of the unemployed should be taken. The taking of such a census should not be difficult, for when they applied for relief they could be asked where they came from, how long they had been in the place where they applied for relief, and so on, and then an effort could be made to send back those who within, say, twelve months, had invaded the cities from the rural sections. If that has been done, or if it is done during the coming autumn, the number of needy men in the cities will be diminished. People who live in the rural municipalities surrounding the large cities and towns should be able to house and take care of returning sons. Then we might be confronted with the problem of taking care of the people in the rural parts whose crops had failed. I have no advice to offer as to that part of the problem, but so far as the cities and towns are concerned, I have a suggestion to make. It seems to me that when large sums of money are handed to a municipality, to be expended for the relief of the unemployed, the municipality should be able to set those people at some useful work and thus obtain some return for the expenditure. I cannot but believe that, if they are notified in time, hundreds of towns and cities where money will have to be distributed this autumn will prepare a programme of work in order to give men employment. It seems only right that those towns and cities should receive some return for the money they spend.

Hon. Mr. ROBERTSON: I do not quite follow my honourable friend's trend of thought. No specific amount of money has been furnished to any municipality. In all the relief work that has been done during the past year the municipality has been allowed to judge of its own needs. We have said: "If you are prepared to carry on some local improvement to provide employment in your

community, and will pay half the cost, the province and the Government at Ottawa will each bear a part of the cost of that work." But not one dollar has been handed out to any municipality to be expended as the municipality might see fit, without its being a partner in a co-operative effort.

Hon. Mr. DANDURAND: Of course I know what has been going on, and I should expect a similar policy to be followed during the coming autumn and winter. But I was under the impression that in addition to moneys expended on works to relieve unemployment there were lump sums given by the municipalities to help men who had not been able to get work.

Hon. Mr. ROBERTSON: A municipality may from time to time have given a man a dollar or five dollars instead of giving him a loaf of bread and a roast of meat; but the Federal Government has never handed out one dollar for any such purpose during the past year. The effort has been co-operative. A bond was executed among the municipal, the provincial and the federal authorities, whereby the municipality was authorized to give such relief as it thought necessary. The bill was sent to the province, and if the province approved, it would forward the bill to the Dominion Government, and the Government would pay its proportion. There has never been a transaction between the Federal Government and an individual or a municipality.

Hon. Mr. LACASSE: I am not so sure that the Provincial Governments have not dealt with the municipalities as suggested by my honourable friend (Hon. Mr. Dandurand), by giving direct relief to the poor. Of course the responsibility for that could be laid at the door of the provincial administration. The Federal Government would know nothing about it. But I think I could refer to cases where direct relief was sanctioned by a Provincial Government, probably without the authority of the federal administration.

Hon. Mr. DANDURAND: I thought that a certain proportion of the $20,000,000 could be distributed for direct relief to certain parts of the population.

Hon. Mr. ROBERTSON: I fancy that this is all out of order, because we are not in committee; but, if the House will permit me, I shall be glad to give my honourable friend as clear an idea of the matter as I can. Out of the $20,000,000 voted by Parliament for the relief of unemployment $4,000,000 was appropriated for direct relief. The remainder was to be used only for the creation of employment opportunities by means of a plan of co-operation among the municipality, the province, and the Dominion. The cost of direct relief was to be divided. One-third was to be paid by the municipality, one-third by the province, and one-third by the Federal Government. By this means there was set up a credit of $12,000,000, which might be drawn upon by any municipality, according to its needs, and the municipality was to be the judge of its requirements. The only brake put upon the municipality was that it must be the judge of the need, that it must pay one-third of the cost, and that the province must approve of the expenditure. If a municipality saw fit to spend $5 on direct relief, and submitted the account to the province, and the province approved of the expenditure, then the Federal Government was satisfied that it must have been reasonably justified.

Hon. Mr. CASGRAIN: There was a voucher from the province.

Hon. Mr. ROBERTSON: A certificate from the department handling the relief, and a certificate from the Provincial Treasurer's office. I know of no instances of the distribution of relief, either direct or through employment opportunities, without proper provincial authority.

Hon. Mr. COPP: Would the honourable gentleman tell us how much of the $20,000,000 was expended to the 31st of March last?

Hon. Mr. ROBERTSON: The Act provided that any portion of the appropriation that was not used up to the 31st of March would lapse. There was a sum of $1,145,000 odd that lapsed on the 31st of March. The rest of the money was appropriated, although of course it was not all spent at that time. Speaking from memory—I have no notes before me—the total expenditures to this date have amounted to slightly over $10,000,000. The time for the completion of some of these works has had to be extended slightly; in some cases thirty days, and in one or two cases sixty days; because unless they are completed the works are useless. Roughly $10,000,000 will be distributed among the men who have performed the services on these works.

The employment opportunities provided through co-operation with the two great railway companies constitute, roughly, not quite one-third of the total. The undertakings of the railways are still proceeding. They are to be completed within a year. The year will not expire until October. Those undertakings have been of great assistance to men who were deprived of their regular employment in

transportation activities. The railway companies have very fairly, I think, although not necessarily, given a preference to men who were ordinarily engaged in their own service, but on account of the slump in the transportation business found themselves without employment. Many of them have been used on these relief works. They have received, no doubt, a smaller rate of compensation than they would have received in their regular employment.

I may say, just briefly, as a matter of information, that approximately seven million men-days' work has been furnished through co-operative effort, and a little over 300,000 men have found more or less intermittent employment. That number does not include many thousands more who were engaged more or less steadily in the making of materials to go into these works.

I may say in conclusion that in every province I have visited—in the four Western Provinces—gratitude has been expressed almost invariably for the assistance that had been forthcoming from Federal and Provincial Governments. There seemed to be complete satisfaction in regard to the provision made to meet unemployment, except that it was not sufficient to finish the job, the period of depression having extended so much longer than anybody expected.

BEAUHARNOIS INQUIRY COMMITTEE

ATTENDANCE OF CERTAIN SENATORS

The Hon. the SPEAKER informed the Senate that he had received the following message from the House of Commons:

Resolved,—That a Message be sent to the Senate requesting that their Honours will give leave to the Honourable Andrew Haydon, one of their Members, to attend and give evidence before the Special Committee, appointed by the House of Commons, to investigate, from its inception, the Beauharnois project for the development of hydro-electric energy by the use of the waters of the St. Lawrence River, so far as the matters referred to are within the jurisdiction of the Parliament of Canada, and without restricting the generality of the foregoing words, in particular, to investigate the matters referred to in the speech made in the House of Commons by Mr. Robert Gardiner, the Honourable Member for Acadia, on the 19th May, 1931.

Ordered,—That the Clerk of the House do carry the said Message to the Senate.

Hon. Mr. WILLOUGHBY: I move the motion, of which His Honour has indicated the scope. It is merely a motion that Hon. Senator Haydon be permitted to attend before the Special Committee of the House of Commons investigating the Beauharnois project for the development of hydro-electric power by the use of the waters of the St. Lawrence river. Such a motion, I think, is quite usual in the circumstances.

Hon. Mr. BUREAU: Honourable members, I would suggest that this motion be postponed until to-morrow, that we may have time to consider the rules and make sure that we are following proper procedure.

Right Hon. Mr. GRAHAM: Let it stand without any motion.

Hon. Mr. WILLOUGHBY: It is not carried yet.

The Hon. the SPEAKER: Is it your pleasure to adopt the amendment?

Right Hon. Mr. GRAHAM: If the Government so desires, it can let it stand without any motion. I am altogether at sea on this matter, not being familiar with the privileges of a member of this House when it is in session. If he has rights on which he as a member can stand, no resolution of this House can deprive him of those rights. I do not know what his rights may be.

Hon. Mr. WILLOUGHBY: I have not looked up the matter. The resolution has been handed to me.

Hon. Mr. BUREAU: Is there any objection to postponement?

The Hon. the SPEAKER: The resolution asks that leave be given.

Right Hon. Mr. GRAHAM: I do not want to delay anything that is essential; but if a resolution of this kind were moved in my absence, particularly if I were ill, I should think that I was being taken advantage of under the circumstances. There are certain things that a member of the House of Commons may ignore when the House is in session. If the same is true of a senator, I do not think we should give him leave to do something contrary to his own rights unless he asks it. We are asked in the motion to give a senator leave to do a certain thing, which he has not suggested that he wants to do, and which, maybe, there is no power to compel him to do. I am not sure of my ground, and I think we ought to have a little time to look into the rule and see what the standing of a member would be.

Hon. Mr. WILLOUGHBY: I have not looked into the subject at all. I have a similar motion in reference to Senator McDougald. Without having examined into the rule, not having known that this was to come up, it would seem to me that the process of compelling a senator to attend in the House of

Commons, and therefore to absent himself from the business of this House, would not be quite in order; but if we give him leave, we excuse him from attendance here. His attendance here might be vital, for instance, to his drawing the full indemnity; but even if he were absent for days and days, this leave would protect him against the loss of indemnity, he being absent with the leave of the Senate. But that the House of Commons should have power to compel the attendance of members of this House, and vice versa, is an opinion that I should hesitate to express.

Right Hon. Mr. GRAHAM: I do not think they have.

Hon. Mr. WILLOUGHBY: I think the primary duty is attendance in this House. A senator is presumed to be here and should be here to attend to the public business; therefore it would not be right to draft him into some other service. However, there is a similar motion with reference to Senator McDougald.

The Hon. the SPEAKER: I would inform the Senate that there are two similar messages, asking that similar leave be given to Hon. W. L. McDougald and to Hon. Senator Raymond.

Hon. Mr. BUREAU: The explanation given by the honourable leader (Hon. Mr. Willoughby) is all right, but, as I do not want to be forced to object, I would ask that this matter be left over until to-morrow at three o'clock. This message has come at the end of the sitting, at a quarter to eleven o'clock, and if I understand the rules rightly it is necessary to have the leave of the Senate, which means the unanimous consent. If I cannot consent, I must put in an objection, and therefore leave of the Senate cannot be granted. It is not unreasonable to ask that this matter be taken into consideration to-morrow.

Hon. Mr. ROBERTSON: I see no serious objection to our postponing the consideration of this motion until to-morrow if my honourable friend so desires.

Right Hon. Mr. GRAHAM: It would be better to deal with all three motions.

Hon. Mr. ROBERTSON: All three of them. It is certainly true, however, that this session of Parliament is approaching an end. The committee may desire the presence of those senators whose names have been given, for the purpose of having them give evidence. The time for the committee's work is growing short, as well as the time of Parliament. I am sure the committee would not seek their presence were it not deemed important in the interests of Parliament itself and of the country, and on account of the important matters that the committee is considering. Under the circumstances, as my honourable friend from La Salle feels that this matter should stand over until to-morrow, I would suggest, with the consent of my honoured leader, that the request should be acceded to.

The Hon. the SPEAKER: When shall these messages be taken into consideration? To-morrow?

Hon. Mr. ROBERTSON: The first Order to-morrow.

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

22112—26½

THE SENATE

Tuesday, July 14, 1931.

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

Prayers and routine proceedings.

PRIVATE BILL

THIRD READING

Bill U1, an Act respecting the Wapiti Insurance Company.—Hon. Mr. Forke.

IDENTIFICATION OF ALIENS BILL

REPORT OF SPECIAL COMMITTEE

Hon. Mr. BEAUBIEN presented the report of the Special Committee to whom was referred Bill A1, an Act concerning Alien Identification Cards.

He said: Honourable members, this Bill has been redrafted, and perhaps it is desirable that I should briefly describe the nature of the amendments. The Committee was mindful of the discussion that took place in the House. The major objections were, I think, two in number. It was contended that the Bill might appear to cast odium on that portion of the population subjected to it. In order that this might be remedied, the character of the Bill has been somewhat changed. The section relating to aliens already in Canada provides that every alien who is qualified by residence in this country to obtain his certificate of naturalization and who fails to do so shall be obliged to secure a card of identification. In other words, the section invites all such aliens to become members of the Canadian family. If they fail to apply for naturalization they should not object to the obligation of securing identification cards.

After consulting different departments, the Committee came to the conclusion that the Bill should not be made applicable to immigrants from the United States. I do not think it is necessary for me to labour that point. We have received special treatment at the hands of our neighbours and we must avoid all possible causes of friction between the two countries. Therefore the effect of the Bill is limited to immigrants from other countries.

Hon. Mr. DANIEL: How about the Old Country?

Hon. Mr. BEAUBIEN: The Committee then restricted the application of the Bill purely and simply to aliens who enter Canada by waters other than inland and coastal waters.

I suppose there are still some questions of detail that may require explanation, and I suggest that the report of the Committee be printed, and that it be taken into consideration by this House to-morrow. Everybody will then have had an opportunity to become familiar with it, and if any further explanation is required it can be given then.

THE JUDICIARY

APPOINTMENT OF SPECIAL COMMITTEE

Hon. Mr. McMEANS moved:

That the following senators be named to serve on the Special Committee appointed to examine into the system of appointing judges as at present existing, and report upon the necessity of taking some steps by which the number of judges may be reduced, and the system of appointments equalized, namely: the Hon. Senators Bureau, Casgrain, Crowe, Gillis, Griesbach, Hardy, Logan, McGuire, McMeans, Robinson and Tanner.

The motion was agreed to.

RIDEAU CANAL CENTENARY

INQUIRY AND DISCUSSION

Hon. J. P. B. CASGRAIN rose in accordance with the following notice:

That he will inquire from the Government:—

1. Is the Government aware that this year is the centenary of the opening of the Rideau Canal?
2. Is it the intention of the Government to commemorate this important event?
3. Has the Government received any communication from the municipal authorities of the Capital of Canada inviting the Federal Government to co-operate with them in such celebration?
4. That he will call the attention of the Senate to the Imperial importance of this undertaking at the time of its construction.

He said: Honourable senators, it may be interesting to pause for a few moments to consider how important such an event as the opening of the Rideau Canal was one hundred years ago. The canal was suggested and discussed after the War of 1812 to 1814. The Imperial Government realized how difficult it would be to move troops, stores, ammunition and supplies upon the St. Lawrence River above Cornwall, or above St. Regis on the American side, because at many places, where there were no rapids, it was very easy for a small force to attack, and the whole of that part between Barnhart Island and the American shore was in the United States. Therefore, in 1825, a report was prepared—it is very lengthy, and can be found in the Archives here—addressed to His Grace the Duke of Wellington, who was then commander of the forces, and this report explained how necessary it was, not only from a military, but also from a commercial point of view, to provide for direct steam navigation between the city of Quebec and Lake Ontario. September, 1826, when work on the canal was commenced, was only fourteen years after the British troops had burned down Washington; so it was necessary for the Imperial Government to have such a safe route as the proposed canal would be. In this report to His Grace the Duke of Wellington it was recommended by Lieutenant-Colonel John By that the Imperial Government could well afford to spend one or two millions sterling for the military and commercial control of Lake Ontario. The idea was that trade would be brought through Canadian ports and into Canada by way of the Welland Canal that was to follow, the St. Mary's Canal, and all the Great Lakes, Lake Erie, Lake Huron, Lake Michigan, and even Lake Superior. The Americans had built some canals and were drawing business from them, and the British Government thought it was about time for this country to secure some of the valuable trade.

It may be interesting for honourable members to recall that the corner-stone of the locks here was laid by no less a person than Sir John Franklin. An example of how history repeats itself is found in the fact that it was said that the large expenditure of money on the building of the canal would relieve dire distress. One hundred years ago this country was experiencing hard times, just as it is now, but it lived on and prospered. United Empire Loyalists were coming across from the United States when vast territory was becoming settled here, from 1784 to 1791. The first who came were the Dutch, from the State of New York, and despite their loyalty they did not speak English. It is commonly known that Dutch farmers, like the Boers, are determined people and make very sturdy

settlers. They trekked across what was then the wilderness of New York, carrying what they could on their backs. They drew lands on the north shore of the St. Lawrence and stayed there, and their names are well known in that part of the country to this day,—such names as Casselman, Cook, Crysler and Pruners. I myself have spent days on land that was drawn by some of these Dutch Loyalists. However, they had nothing to do with the Rideau Canal. Emigrants came in great numbers to the Niagara Peninsula, in Upper Canada, where Colonel Simcoe was in command. These Dutch people had taken no part in the revolution, and those who had taken part did not want them to share in whatever benefits there were. They were disliked and not treated very well, and that is one reason why they migrated. But some true British Loyalists, who had fought for England—and there were not many who did that when the Thirteen Colonies rebelled—came over, and they received from Colonel Simcoe the first land, close to the border. They were encouraged by him to have a militia, for which he appointed captains and lieutenants. Others who came over here at that time were people who did not care to pay the heavy war taxes that were put into effect in the United States after the revolution. That country was not rich then, and the war with England had cost it a great deal of money. So people who were not in sympathy with the British, but who wanted free land and no war taxes, came over to this country. And there were other immigrants who had become disaffected. Colonel Simcoe put them on land far back from the frontier, so that they could not possibly get into contact with their former friends.

It is interesting to read about the Duc de la Rochefoucault-Liancourt, who had to leave France on account of the revolution. He stayed six weeks in Kingston while trying to get permission to visit some of his countrymen in Lower Canada. Lord Dorchester temporized—for a long time would not definitely refuse this permission, but finally the Duke was prohibited from making the visit, because it was thought he might talk sedition, or talk about France among the French people, who were absolutely loyal to Great Britain. This shows that the authorities were more particular then than we are now as to who should be allowed to come into the country.

In those days, when the crops were good, harvesters used to come from Montreal to the Kingston district. They were paid $1 a day, and this caused dissatisfaction among the farmers living in that section, who were getting only $8 a month.

A little while ago I mentioned Barnhart Island, opposite Cornwall. There has been much discussion about that, and a great deal of blame has been placed on the commissioners who decided that the island should belong to the United States. That island should have been given to Canada, but the wiles of the Americans more or less deceived the English commissioners, who were not so familiar with the locality as the Americans were. Should we ever proceed with the St. Lawrence Waterways scheme, it will be necessary for Canada, in order to have access to the power-house, to acquire territory from the United States. Whether they would be very keen about letting us have territory is another question.

I have already said that history repeats itself. In this connection it is interesting to recall that the first estimate of the cost of the Rideau Canal was £169,000. Work was commenced on the 21st of September, 1826, and up to the 31st of December, 1830, there was spent the sum of £575,551 4s. 2½d., and there still remained unexpended out of the sum provided to complete the canal £117,898 7s. 7½d. So the cost was, in terms of dollars, about $3,467,245, or nearly four times as great as the estimate. A similar thing has happened in connection with the Welland Canal, which at first it was estimated would cost $30,000,000. After that it was estimated by Mr. Bowden, at the time Chief Engineer of the Department of Railways and Canals, that the cost would be $50,000,000, and I heard the other day from official sources that the cost up to date has been $125,000,000, not including interest, and some of the money has been out twenty years. The same thing happened in regard to the Panama Canal, which it was estimated could be built for $150,000,000, but which cost $600,000,000, four times the estimate. And Colonel Hugh Cooper says that if we improve the St. Lawrence according to plans that have been prepared, the total cost will be $1,300,000,000. That shows how estimates go up. The first time the St. Lawrence Waterways development was discussed in this House the estimated cost was $250,000,000, but now it is up to $400,000,000. I might say that I was showing these figures to the present Minister of Railways, who sits in another place, and I said, "They are good illustrations to show that humanity does not change." When a work is started the total cost is estimated, but before the work is finished it has cost four times the amount provided.

The grand total spent on the Rideau Canal in the Canadas—Upper and Lower Canada were always referred to that way in the report—was £1,380,218, or nearly $7,000,000. That

was paid by the Imperial Government and the people here got the benefit; so we were not so badly off, even before we received those great liberties that we talk so much about. Nearly 75 per cent of the money went to pay wages. There were no steam shovels in those days, and all the work was done by hand. I am sure it will rejoice the heart of the Minister of Labour (Hon. Mr. Robertson), who is listening to me, to know that the workingmen who did the work got most of the money. And all that was being done in the time of the Family Compact. Well, the Family Compact was not such a bad thing after all if it could get the Imperial Government to spend so much money here and create so much work for our people. I see on one of the walls here a portrait of one of my ancestors. I am afraid he must have been in the Family Compact, because I saw in the Gazette the other day that he had been made a member of the Executive Council with Wm. Osgoode, and a member also of the Legislative Council of Upper Canada in 1791, and he was Speaker of the Council for many years, in fact until his death. He lived until 1833; so he must have been in the Family Compact 41 or 42 years. I am afraid he was an awful Tory.

In September, 1826, Major-General Darling wrote to Lieutenant-Colonel John By, asking him to proceed at once with the building of the canal as a means of relieving distress and keeping the people loyal. Colonel By answered that he would begin operations without delay, in three sections, one at what is now Ottawa, one at Kingston and the other on the Height of Land. I may mention that the Height of Land is 292 feet above the level of the Ottawa River and that to get down to Kingston a drop of 164 feet had to be made. He employed 2,000 men at each of the sections; that is a total of 6,000; so that in the then sparsely settled state of the country 6,000 men were put at work, which meant, on an average of four persons dependent upon each workman—and this average would not be too great, because even if a man were a bachelor he would probably be supporting his parents, while married men would have their wives and children—there were about 30,000 people supported by this undertaking for four years. The total distance from Ottawa to Kingston by this water route is 133 miles, of which 20 miles are canal.

On the 13th of May, 1831, Mr. Peter McGill, of Montreal—he must have been a Scotchman—wrote asking for written assurance that there should be no lockage dues and no canal dues if he sent his Union steamboat for a trial trip through the canal. As it was an experimental trip, he wanted it understood that he would not furnish a cabin. The first steamboat that went through the canal was called the Pumper, and that was in 1832.

When the canal was opened it was of immense advantage to the business of the country. The purpose at the time was to have direct steamboat communication between Quebec city and Lake Ontario, so that it would be convenient to carry on trade between the intervening territory, which was being quickly populated, and the eastern part of Canada.

I am sorry that I have taken up so much time, but I believe that this centenary should be celebrated, as the opening of the canal did so much to help develop Eastern Ontario. The tablet on the Wellington street bridge indicates how important the undertaking was. If there had been no Rideau Canal there would have been no city of Ottawa, for the capital of this great country undoubtedly owes its location to the construction of the canal. As we all know, the land around Ottawa is not very fertile; I am told that only about one-third of it is suitable for cultivation. The canal made easy communication possible between this section and more fertile districts. I really think that the Senate should not allow the centenary to pass without taking notice of it.

BEAUHARNOIS INQUIRY COMMITTEE

ATTENDANCE OF CERTAIN SENATORS

The Senate proceeded to the consideration of a message from the House of Commons with respect to the question that leave be granted to Hon. Senator Haydon to attend and give evidence before a special committee of that House.

Hon. Mr. WILLOUGHBY: Honourable members, I now again move the motion that was referred to yesterday, which, I believe, is quite regular and in order for the desired end, namely, the attendance of a member of this Chamber before a committee of the other House, if he sees fit:

That this House agree to the request of the House of Commons that leave be granted to Hon. Senator Haydon to attend and give evidence before a special committee of the House of Commons appointed to investigate from its inception the Beauharnois project for the development of hydro-electric energy by the use of the waters of the St. Lawrence river, if he thinks fit.

The Clerk has pointed out to me that the phrase "if he thinks fit" is not a happy one, but that it is in absolute accord with English precedent and with the precedent of this House.

The motion was agreed to.

The Senate proceeded to the consideration of a message from the House of Commons with respect to the question that leave be granted to Hon. Senator McDougald to attend and give evidence before a special committee of that House.

Hon. Mr. WILLOUGHBY moved:

That this House agree to the request of the House of Commons that leave be granted to Hon. Senator McDougald to attend and give evidence before a special committee of the House of Commons appointed to investigate from its inception the Beauharnois project for the development of hydro-electric energy by the use of the waters of the St. Lawrence river, if he thinks fit.

The motion was agreed to.

The Senate proceeded to the consideration of a message from the House of Commons with respect to the question that leave be granted to Hon. Senator Raymond to attend and give evidence before a special committee of that House.

Hon. Mr. WILLOUGHBY moved:

That this House agree to the request of the House of Commons that leave be granted to Hon. Senator Raymond to attend and give evidence before a special committee of the House of Commons appointed to investigate from its inception the Beauharnois project for the development of hydro-electric energy by the use of the waters of the St. Lawrence river, if he thinks fit.

The motion was agreed to.

NATURALIZATION BILL

THIRD READING

Bill 3, an Act to amend the Naturalization Act.—Hon. Mr. Willoughby.

ROOT VEGETABLES BILL

THIRD READING

Bill 87, an Act to amend the Root Vegetables Act.—Hon. Mr. Willoughby.

TARIFF BOARD BILL

SECOND READING

Hon. Mr. ROBERTSON moved the second reading of Bill 47, an Act to provide for the appointment of a Tariff Board.

He said: Honourable members, Bill No. 47, which is now before us for consideration, relates to the creation of a Tariff Board. The purpose of the Bill is to create a body with judicial powers which will be available for inquiry into all matters delegated to the Board by the Prime Minister respecting the tariff. The Bill provides that the Board shall be what is commonly known as a fact-finding body. It will not have power or authority to determine what tariffs should be, but on the request of the Minister of Finance it will ascertain all the facts surrounding any subject, concerning the tariff, upon which the Minister may desire information.

It is proposed further that the Board shall assume the duties now performed by the Board of Customs, and that such matters as are now referred to that Board, which is at present composed largely of officials of the Customs Department, shall be reviewed by the Tariff Board.

It is also proposed that after a departmental inquiry has been made by the Registrar under the Combines Investigation Act, instead of a commissioner being appointed, as has been the practice in the past, the information gathered by the Registrar shall be referred to the Tariff Board, which shall act as the commissioner does under the present arrangements. The Board, as I recall the provision of the Bill, will have power to summon witnesses and take evidence in the same way as a court. In my humble opinion, inquiries will be shortened and the cost probably reduced. Furthermore, the inquiries will be carried on by a tribunal or court consisting of more than one member, whereas under the present law the investigation is left to the judgment of one commissioner.

It is proposed that the Board shall consist of three members, and that they shall receive the compensation named in the Bill. This will make it possible to secure competent and experienced men to act. They are to be appointed for a period not exceeding ten years, and are to be eligible for reappointment if they have not reached the age of seventy years when their term of office expires. They shall be retired at the age of seventy, or, if not reappointed, at the end of ten years' service.

These brief remarks cover the intent of this Bill, and I move the second reading on the assumption and with the understanding that the details may be analyzed carefully when we go into Committee on the Bill.

Hon. RAOUL DANDURAND: Honourable members of the Senate, as I was coming up to Ottawa yesterday morning I was surprised to read in the newspapers that the members of the Senate who sit to the left of the Speaker had decided to oppose this measure. From this it seemed as though they had been deliberating over the matter. I may say that when I read the statement I had not yet read the Bill which is now before us.

This measure, like all others that come before this Chamber, stands for examination, criticism and modification at the hands of the

Senate. We must give to this Bill the same measure of attention that we give to all bills that come from the other House.

I am surprised at the lateness of the hour at which the Bill reaches this Chamber, and even the hour at which it reached Parliament. There was a tariff revision in September last, and there is another revision, an important one, before Parliament at the present time. This Bill comes in after two radical changes have taken place in the tariff schedule. It would have been quite easy to alter the composition of the Tariff Board that was in existence up to July last, and to refer to the Board, for a finding of the facts, the matters upon which the legislation of last September and of this session have been based. Undoubtedly the Government wanted a free hand in presenting its policy to Parliament, and I do not know of what use the present Tariff Board will be when it finds that most of the things which might have been dealt with by its members have been finally decided by Parliament.

There are a few questions that I should like to put to my honourable friend in advance of the committee stage, in order that he may be in a position to throw some light upon them in committee. I desire to ascertain what will happen if, after a matter has been studied by the Tariff Board and legislation based upon its finding of facts has been submitted to Parliament, some industry feels aggrieved by reason of the proposed changes and complains that sufficient information has not been obtained. Could that industry not bring before the Board a statement of its grievance? Could it not make direct representations to the Board? It has occurred to me that in the consideration of the legislation based on the Board's findings it may be discovered that certain parties have not been called, though the price of their raw material has been increased and their industry thereby handicapped. In such an event would the power granted to the Board enable it to accede to a request for a further study of a matter that had been passed upon? This is one of the matters on which I should like some information from my honourable friends.

Although I have examined into the powers that are to be given the Board, I cannot clearly understand the extent of them. Section 4 of the Bill reads:

(1) In respect of goods produced in or imported into Canada the Board shall, at the request of the Minister, make inquiry as to—

(e) all conditions and factors which affect or enter into the cost of production and the price to the consumers in Canada;

(f) generally, all the conditions affecting production, manufacture, cost and price in Canada as compared with other countries.

I should like to know if this section, or some other, gives the Board the right to investigate the amount of capital employed in an industry, and the rate of return upon it. Undoubtedly it is of importance to the consuming public that the Board should have such a right. There is, of course, no objection to a fair return on capital, but the case is different if an industry puts upon its capital a fictitious valuation to the extent of three, four or five times its true value.

Hon. Mr. WILLOUGHBY: Subsection (e) of section 4 might cover that.

Hon. Mr. DANDURAND: That is one of the questions which I put to my honourable friends. There is another one which has been brought to my attention by a number of my colleagues, and it has to do with the tenure of office of the Board. The Bill says that each member of the Board shall hold office for ten years. The thought has occurred to many, as it has to me, that perhaps this long term would result in an injustice to the people, if it so happened that they pronounced themselves against the Government policy upon which the work of the Board was based. I should like my honourable friends opposite to give me reasons for such a long term of office for the members. Of course, I know that perhaps a good man can hardly be expected to abandon his business and become a member of the Board if the term of office is only one year, but there is a great difference between that and ten years. It seems to me that by passing this Bill Parliament would be binding itself to a possible encroachment upon the right of the people to call for a change in the economic policy of the country every four or five years. I submit these questions to my honourable friends, and we may debate them at greater length when we come to the committee stage.

Right Hon. GEORGE P. GRAHAM: Honourable senators, if no other honourable member is going to discuss this matter, perhaps I shall be permitted to do so. The principle of a Tariff Board has been adopted by all parties in this country. The incoming Board will have the benefit of the experience of its predecessor, the first in this country, which I had the honour of organizing. It was largely an experiment, because what other countries had done did not seem to be applicable to our conditions and could not be used as a guide. It was not an easy thing to organize on lines that would be suitable here. I had copies of the enactments of other countries, but it struck me that some of them gave too much power to the Board and some not enough. Therefore I had to be guided by

the opinions of business men and by what seemed to me advisable. Now, the success and efficiency of a body of this kind depend largely upon the men who are appointed as members. I sat in one day with the United States Tariff Board. I discovered that it was composed of representatives of both political parties and that when there was a disagreement it was usually on the question of policy.

Hon. Mr. GRIESBACH: On party lines?

Right Hon. Mr. GRAHAM: On party lines nearly always. That convinced me that no matter what the functions of the Board might be, if it was to be useful its membership should be composed of men in sympathy, to a large extent, with the policy of the Government in power. I think that cannot be gainsaid. Of course, the United States Tariff Board has greater power than ours ever had, or, I hope, ever will have. We must not be squinting too long in that direction or we shall fall into the same system. Under the United States Act, the Tariff Board, after examining certain conditions as to costs in other countries, can make a recommendation to the President, and he has the power to make adjustments to the tariff within a limit of 50 per cent, I think, without any reference whatever to Congress. I think that is a mistake, and I am warning the Government now not to give its statute-governed Tariff Board, together with the Minister of National Revenue, whoever he may be, the power to change the tariff without consulting Parliament. That power is now to a certain extent in the hands of the Minister of National Revenue, who makes rulings and sets arbitrary prices on goods for the purpose of determining the duty. I think no person will deny that a considerable mess has been created by the exercise of that power during the past few months. Changes that were thought to be in the interests of the people were made, and when it was discovered a little later that they were contrary to those interests they were modified or repealed. I think it is a safe proposition that in the main Parliament should have control of the fiscal policy of this country.

Will the House bear with me for a few moments while I give an illustration to show what can be done in the way of fact finding? In the case I have in mind it was not necessary to take evidence under oath or in any other way. An application was made to the Tariff Board for the removal of duty on cooperage—

Hon. Mr. GRIESBACH: Is the right honourable gentleman speaking now of the American Tariff Board or the late Tariff Board of this country?

Right Hon. Mr. GRAHAM: Our Tariff Board, at the time I was Chairman. Application was made for the reduction or abolition of duty on staves used in the making of kegs for containing hardware, such as horseshoes, nails, and things of that kind. The astounding statement was made to the Tariff Board that there was in Canada no lumber strong enough in texture, when manufactured into kegs, to stand the strain on containers for horseshoes and nails. We began to make inquiries into the truth of that statement. In the city of Montreal the Federal Government has an organization—I have forgotten its name—for conducting researches and tests. I requested the people who were applying for the tariff change to send me samples of their best kegs, and I asked every keg manufacturer in Canada to send me at least one sample made up in each of the different kinds of wood. Tests were then made in Montreal. First there was a dead-weight test, by which the staves were kept under a dead-weight pressure until they broke. At least two of the Canadian lumbers stood up as well as the Southern lumbers in that experiment. Then kegs were three-quarters filled with either nails or horseshoes and put into a large cylinder that revolved, so that they would be carried up to a height of about ten feet and then dropped that distance. That test continued until something happened. Both those tests proved conclusively that there was no foundation whatever for the statement that had been made, because we had at least two kinds of wood that would stand up under extraordinary pressure. One of these was much better than, and the other was just as good as, American timber.

This is one way of getting at the facts without taking evidence. The findings in that case—that is, merely the results of the tests, together with the drawings, and so on—were handed in as a report, and consequently there was no change made in the tariff. Some people have said that the Tariff Board could not have been of any use, because the Government did not take action. It must be remembered that declining to act on a report is just as significant as acting on it, if there is no good reason for action. I made reports on every application sent in, merely stating what we found.

I rather object to our calling this Board a court. I do not know whether my honourable friend from Edmonton (Hon. Mr. Griesbach) will agree with me or not, but I think that if we had kept the name "court" out of the Pensions Bill the people concerned would have felt freer. It is the boast of thousands of people that they have never been in court in their lives. The ordinary man does not

like the name "court," and when you confront him with it he is inclined to think that maybe he is getting into trouble in some way. This Board has been declared to be a court. Where I am now standing I must be very careful not to say anything against legal men, but I appeal to the sympathy of those who are not legally trained when I make the statement that whenever one of our lawyer friends has the say in a matter of this kind there is a tendency to establish a court. It may be that that name sounds better.

It might be interesting to relate an experience that I had—I happened to be Minister in some troublesome times—in the early days of the Board of Railway Commissioners. A suggestion was made and strongly pressed that we should appoint a barrister to protect the interests of the public. I was opposed to that, and said I felt that the people could best be served by being kept away from courts. As my honourable friend from Winnipeg (Hon. Mr. McMeans) has pointed out, we have too many judges and too many courts, and I might suggest that he endeavour to have some of the excess judges put on the Tariff Board. During the time of office of Mr. Justice Mabee, who I think was one of the most successful Chairmen we ever had on the Board of Railway Commissioners, the technicalities of the law were relegated to the background and business principles were applied, perhaps sometimes to the straining of the statutes. I will cite an incident, of a kind that happened more than once, which indicates that often the best results can be accomplished in the absence of court paraphernalia. A lady who lived not more than 40 miles from Ottawa wrote to me complaining that a railway had neglected to do certain things that would have protected her cattle, which she used to have driven under a culvert. There was no necessity of having a hearing, nor a cross-examination of anybody by a lawyer. Justice Mabee sent out a man to check up on the facts, and as a result the railway was given two weeks to remedy the situation, without any legal process. I think I am safe in saying that in all the time that Justice Mabee was Chairman of the Railway Board there never was an appeal against his findings, either by the railways or by other parties concerned. I have cited these facts to show why I think we should try to keep away from anything like court proceedings before the Tariff Board.

When an application comes before the new Board witnesses will probably be sworn and subjected to cross-examination, and the rules of evidence maintained. Now, I may be wrong, but in my opinion the best way to get information in regard to business matters is not through a court process, but by a heart-to-heart discussion with the people on both sides of the case. If they wish to have barristers present at a discussion, of course they may, for that is their right; but let us keep away from the idea that when a person goes before this tribunal for the discussion of some tariff matter he is in a court, and must sit up straight for fear that there may be a constable at the door to see that there is no disorder. I am opposed to the paraphernalia of a court. Although the lawyers say that the Tariff Board is only a court of record, it has been published throughout the length and breadth of the country that it is to be a court, and to the ordinary person a court is a court.

Hon. Mr. ROBERTSON: Is not the Railway Commission a court?

Right Hon. Mr. GRAHAM: Yes. And I may say that it never functioned better than when Mr. Justice Mabee was at its head, and, as I was trying to point out, disobeyed most of the rules of a court. The finding of facts requires horse sense more than it does the paraphernalia of a court.

There is something else to which, although it is only incidental, I object—and I know that many of you will agree with me—namely, that a man should be legislated against because he has reached seventy years of age. If a man of seventy is good enough to sit in the Senate and consider the problems of the nation, he ought to be good enough to sit on a board appointed to carry out the wishes imposed on it by the Senate as part of the Parliament of Canada. It is true that some persons are old at seventy. Some are old at forty, and some begin to deteriorate almost as soon as they are born. But the fact that a man is seventy years of age does not necessarily mean that he is incapable of being a man among men and of helping to carry on the business of the country. Let me suggest that this and other countries have gone crazy on the idea of youth. They do not look at what a man is and what he is capable of doing; they want to look at his teeth to see how old he is. They even go so far as to legislate against giving the older man a chance. I think the Government ought to be free to select a man for his ability. Many men of seventy have more energy and ability than their associates of forty or fifty. It is possible that if this craze of side-tracking men who have come to a certain age and substituting younger men had not taken hold of the countries of the world, we should not be in the mess that we are in to-day. I think it is the experience of men of seventy

years of age, or thereabouts—and a good many honourable gentlemen are in that class—that when younger men, who have gone on the rocks, are trying to find a way out of their difficulties, they seek the advice of the old heads. They say: "What would you do?" I would go to my honourable friend to my right (Hon. Mr. Dandurand), but he is only a young man and will not reach the age of seventy for many years; that is, in appearance.

Some Hon. SENATORS: Oh, oh.

Right Hon. Mr. GRAHAM: I am serious. I think the Government is making a mistake in saying that men of seventy should retire. A man of sixty-two cannot be appointed to the Board for a full term; and a man of sixty-one will have to quit in nine years, before the term is ended. I am serious in saying that I think it is a great mistake to measure a man's ability by his years, and to place a provision to that effect in the Statute Book.

I have said all that I intend to say about the court, but there remains the question of fact finding. In this respect there is no difference between the Board that was and the Board that is to be. When I was on the Tariff Board my instructions were very clear: to find the facts and express no opinions. I think this is borne out in every report that I made. I found the facts as best I could, and I did not go to the length of taking evidence under oath, for reasons that I have already stated. Nevertheless, I think I got as close to the men appearing before the Board as any person really could. None of the sessions were secret; they were all wide open. We discussed the whole problem sometimes informally, and I think I learned the viewpoint of those who made representations on various matters. After a through discussion I asked that the arguments be submitted in writing.

There comes to my mind another point, which has been raised and discussed somewhere, perhaps in the newspapers—the question whether or not it is a mistake to have the Tariff Board hear only those applications that are referred to it by the Finance Minister. I know that some of my colleagues will disagree with me when I say that I have no objection to the hearings being restricted to such applications. As a matter of practice I can see no objection to it, because I know how it works out. No person who ever went to Mr. Robb as Finance Minister with a case of any magnitude or importance failed to have his case immediately referred to the Tariff Board. There is another aspect, too. After all, the Tariff Board is part of the department of the Minister of Finance, and he is, and must be, responsible to the people of Canada for what takes place before that Board; and so far as I am concerned—for I know how it worked out in practice—I cannot object to the Finance Minister having the power to pass upon all applications before they are sent to the Tariff Board.

Now I come to the term of office of the members of the Board. Members of the other House would all like to be elected for ten years. We in this House do not tolerate any such thing as a time limit. The Government of Canada does not get a ten-year term in office; usually it gets four years. The Prime Minister does not get ten years; he may have only one or two years, the period depending on the number of his mistakes. Every five years, at the utmost, he must appeal to the people for a mandate. But you do not find anybody refusing to become Prime Minister on that account. Neither do you find any person refusing to run for Parliament because he is not elected for a ten-year term. It would be more pleasant to have a ten-year term, of course, for then the cost of election and the worry would be cut in two. Nevertheless, everybody seems eager to run, even though the term is but four years. I know that the members of the Board of Railway Commissioners are appointed for ten years, but I submit that the duties devolving upon them are not of the same character as those that will devolve on the members of the Tariff Board.

Hon. Mr. LAIRD: And the Grain Commission.

Hon. Mr. SCHAFFNER: What about the Grain Commission?

Right Hon. Mr. GRAHAM: There is nothing that resembles politics, per se, as the lawyers would say, in those boards. There is no man in Canada, worthy to act on the Tariff Board, who has not some ideas on the tariff. You can put a halo around anybody's head and say that he will be independent. He may be. I do not know. But any man worth his salt in dissecting these tariff problems has some idea of the fitness of things as they relate to tariffs and fiscal policies. If you appoint such a man to the board he will possibly become independent if he is there for a long enough period, which would be about a lifetime, I should think; but it seems to me a little absurd to put an able man on that Board—and he must be an able man—and say: "Now, you don't know anything about fiscal policies; you have no ideas or opinions; you must just put down two and two make four." To my mind, if you get

men who are big enough to be on the Board they will inevitably have some ideas on the tariff, and if the members appointed have no ideas on the subject, they will not be big enough for the job.

I come back again to the ten-year term. When the present Government came into office it would not have the then existing Tariff Board. I am not complaining about that at all. As my leader has said, the Government could have made a change in the personnel —to which change there could be no objection —and still have made use of the Board. I have never criticized very much what was done, except as it concerned innocent people who were put out of employment. As I say, the Government would not have that Board, and I am not criticizing it for that. A new High Commissioner to London was appointed, and I have never criticized that appointment. The Prime Minister took the position that in order to carry on successfully the relations between Great Britain and Canada he must have a man who was in sympathy with the Government. I have never criticized that attitude. Even the directors on the Canadian National Railways Board were dropped. I have not criticized any of those actions in my paper, or anywhere else.

Hon. Mr. ROBERTSON: Is my honourable friend not in error? The directors were not all dropped.

Right Hon. Mr. GRAHAM: Nearly all were. Oh, yes! Some of the directors were asked for their resignations, and nearly all were dropped. The directors who were officials were not dropped, but the others were. The Deputy Minister is an official.

Hon. Mr. BUREAU: What about the harbour commissions?

Right Hon. Mr. GRAHAM: The same is true of them. If such be the case in bodies whose work is not political, is there not all the greater reason to contend that when the Government changes because the people say, "We do not want that policy any more—we want a new policy," the men who find the facts bearing on fiscal policy should retire with the Government that appointed them? Of course, if my honourable friend were a member of the Board he would retire; but the proposed statute says that he need not do so.

It has been suggested that under the statute members of the Board could be retained until their ten-year term expired, but that no work need be given them. Well, if that were done, we should be paying for something we were not getting. It has been said also that by a change in the statute their salaries could be reduced to one dollar. I think it would be found that such action would be regarded as a dismissal, and that the courts would order payment of the salaries.

Now, I must not dwell on this any longer. I feel strongly, however, that the members of a Tariff Board, at least, should not remain in office after the people have said that they do not want a continuance of the policy based upon the findings of that Board.

Hon. Mr. TANNER: There is no danger of this Board remaining after the Government is gone.

Right Hon. Mr. GRAHAM: Does my honourable friend expect them to be guilty of something that will cause their dismissal?

Hon. Mr. TANNER: The Government is going to stay in.

Right Hon. Mr. GRAHAM: That is a hope. Hope springs eternal in the human breast. If the Government is going to stay in power, there is no need for the ten-year term of office. That looks like a provision against what may happen.

Then, the Board is to take on some new duties, one of which is to perform certain functions now performed by the Customs Board.

Hon. Mr. WILLOUGHBY: Under the Customs Act, and under the Combines Act.

Right Hon. Mr. GRAHAM: I am dealing now with the Customs Board. I am in favour of that provision. I do not want to say, "I told you so," but I made a similar recommendation to Mr. Robb on several occasions when we discussed the matter. People would go to him with regard to something that was really an interpretation of the statute, and he would send them to the Tariff Board, and I would find, upon conferring with the officials of the Finance Department and the Revenue officials, that I was really being asked to interpret something that the Customs Board should interpret. I made the suggestion that it would not be a bad idea for the Tariff Board to have the powers then vested in the Customs Board. For that reason, and for the reason suggested, I think, by the Minister of Labour, that the same officials who give the decision form what might be called an Appeal Board to whom decisions are appealed, I am in favour of the change. Once a strong-minded man has given his views on a certain point it is very difficult to get him to change them.

The explanation given by the Minister of Labour as to the Combines Act clears up somewhat a question that was in my mind. I was wondering just what course the complaints as to combinations would take. The Minister of Labour makes it clear to me that the real purpose of the departmental investigation is to ascertain whether there is anything to be inquired into. It is like a case going before a magistrate for him to see whether there is any evidence upon which to commit a man. After the departmental inquiry has been made the Tariff Board will do the investigating, instead of a commissioner being appointed for that purpose. Undoubtedly the Board will report to the Government, probably to the Minister of Labour, and that report will be equivalent, I suppose, to the judgment of a commissioner. Then either the federal or the provincial authority, whichever is the proper one, will proceed in the matter, or refrain from doing so.

I have put a few of my criticisms on record. To me the most objectionable features of the measure are those establishing the Board as a court, with all the procedure of a court, and the long term of office of the members of the Board.

Hon. J. S. McLENNAN: Honourable members, as I have given some attention to the question of tariff boards for a considerable period of time—certainly since before the abortive attempt to establish one in 1912—I had thought that I would address the House on the subject. But after listening to the two speeches from the other side of the House it seems to me necessary to say only that one hopes that when the Chairman of the Tariff Board is appointed he will have the wisdom of the late Mr. Justice Mabee and the wit of our colleague who has just addressed us.

Hon. Mr. ROBERTSON: Honourable members, the observations just made by my right honourable friend opposite (Right Hon. Mr. Graham), who was the first Chairman of the first Tariff Board, have been very interesting. On a number of points he is, I think, quite in accord with the present Government's intent in submitting this Bill. My honourable friend the leader on the other side (Hon. Mr. Dandurand) very appropriately asked what redress the industry concerned would have if the Tariff Board, after an investigation, recommended a certain rate of duty which the facts seemed to it to justify, and the Finance Minister did not agree with the Board's findings.

Hon. Mr. DANDURAND: If my honourable friend will allow me to interrupt him, may I state that that was not exactly the hypothetical case I suggested. My question was this. If legislation were introduced based on facts that had been found as a result of investigation, and if it so happened that the Tariff Board had not investigated the effect of that legislation upon an industry which felt it would be injured by the proposed change in the tariff, could that industry not make direct representations to the Board for a further investigation, with a view to having another report sent to the Minister of Finance on the matter?

Hon. Mr. ROBERTSON: It would appear to me that the Board would not have fulfilled its duty if it brought in a report such as my honourable friend suggests, because subsection (e) of section 4 of the Bill provides that the Board shall investigate "all conditions and factors which affect or enter into the cost of production and the price to the consumers in Canada." It would seem to be clear that the work of the Board would not be finished until it had ascertained all the facts bearing on the subject under consideration, and that if any industry felt its interests had not been fairly considered, the Board might very well make a further investigation, either on a direct application by the parties concerned, or at the request of the Finance Minister.

The Board is to be a fact-finding body, as my right honourable friend from Eganville (Right Hon. Mr. Graham) has pointed out, and perhaps it would not be expected to make direct representations to the Government as to what should be done. Perhaps it is proper to observe that the Board of which my right honourable friend was the organizer and Chairman did not have facilities for getting all the evidence that it needed in order to ascertain the facts, because it was not a court of record. That was a weakness in the former Act—but I should not say Act, for there was none; the former Board was established by an Order in Council, without legislative authority. This Bill is brought down so that the new Board will be able to operate under a statute.

My honourable friend the leader on the other side asked also whether the Board would be empowered to inquire into the facts surrounding the capitalization of an industry under investigation. I think there is no limit to the inquiry that may be made by the Board into any subject that it may have under consideration, for it will be required to find all the facts. It may discover an industry to be capitalized at double the amount that is proper or necessary for efficiency. It may form the opinion that a certain industry needs no protection, because of the fact that it is paying a rate of wages lower than its

competitors are, and lower than it ought to pay to enable its employees to live decently and in accordance with Canadian standards. It may even find both over-capitalization and under-payment of wages in an industry. The facts, whatever they may be, would have weight with the Board when forming its opinion of what protection might reasonably be afforded by the Government.

My right honourable friend from Eganville made some interesting observations with reference to the term of office of the members of the Board. It occurred to me that there was a little inconsistency in arguing first against a ten-year term and a few minutes later in favour of an extended term. However, I will not enter into any controversy about that—

Right Hon. Mr. GRAHAM: That was where age was the essence of the contract.

Hon. Mr. ROBERTSON: —further than to say that if an offer were made to pay members of the Senate $10,000 a year instead of $4,000 for their services as senators—

Hon. Mr. McMEANS: Hear, hear.

Hon. Mr. ROBERTSON: —on the condition that at the age of seventy they should be retired on an annual pension of $4,000 a year, which is about the same as the proposed retiring allowance for members of the Tariff Board, probably there would be no serious opposition on the part of members of this House.

Right Hon. Mr. GRAHAM: But see what the country would lose.

Hon. Mr. ROBERTSON: That is quite true, but at the same time I think there is virtue in setting a reasonable limit upon the length of a man's active life. If we made a survey I think perhaps we might find with regard to certain gentlemen whom we hold in great esteem, and who have long since passed the age of seventy years, some facts that would cause us to wonder whether or not it is in the public interest that they should continue to function until the call comes. I sometimes question whether the Supreme Court of the Province of Ontario is well served by the number of octogenarians who are members of it. With all due respect to these men of advanced age and ripe experience, I think a good argument can be made for retiring a man from public life and the responsibilities attached thereto when he has passed the zenith of his usefulness, instead of encouraging him to hang on indefinitely during the years when his vitality is declining.

My right honourable friend (Right Hon. Mr. Graham) remarked that the proposed Tariff Board should be in sympathy with the policies of the Government in power. That is a doctrine of which it is perhaps very easy to approve, but I do not think that precisely that doctrine was in the mind of the Government when dealing with this matter. Rather I think the intention is to establish a Board that will have views of its own, that will actively investigate the facts concerning industry, in this country and abroad if necessary, and consider what steps should be taken, in the light of established facts, to protect the interests of producers and consumers in Canada. In order to achieve that objective successfully it is necessary that the aim of the tribunal should be the finding of facts, and that the responsibility for the action taken in regard to any finding should rest with the Government of the day, through its Minister of Finance, whose duty it is to submit budgets to Parliament. I think it would be to the advantage of the people of Canada that my right honourable friend should find himself free to concur in a policy of that kind, and I feel that after his long experience on the former Tariff Board, and with his intimate knowledge of the Railway Commission, gained when he adorned the position of Minister of Railways, he is not seriously inclined to oppose a ten-year term for the Tariff Board any more than he would have opposed such a term for the members of that other court, the Board of Railway Commissioners, which has functioned so well, particularly when it was under the chairmanship of the late Judge Mabee.

There was some reference to the practice in the United States. It is not proposed by this Bill to clothe the Minister of Finance or the Governor in Council with arbitrary and final powers. As my right honourable friend pointed out, the United States President can arbitrarily alter the tariff to the extent of 50 per cent, without reference to Congress, but such a thing is not proposed or thought of here. The policy followed by the United States is its own concern, and not ours. In Canada Parliament is to retain control over the tariff. We have provision in section 43 of the Customs Act for making seasonal tariff changes for the protection of our products. Before this section was passed the producers of Canada, and often the consumers as well, suffered severely because our neighbours to the south shipped their products here earlier than our own matured.

I should be glad to have the Bill go to committee, if honourable members are agreeable.

Hon. Mr. DANDURAND: To-morrow?

Hon. Mr. ROBERTSON: Of course, we shall have to give it the second reading first.

Hon. W. H. SHARPE: Honourable senators—

Hon. Mr. ROBERTSON: I beg your pardon. I thought no other member wished to speak.

Hon. Mr. SHARPE: With conditions in Canada as they are at the present time, I do not think the Government are justified in bringing in a Bill of this kind to create a number of high salaried posts. I may say that ever since I have been coming to Ottawa I have been in favour of a Tariff Board, but I cannot understand why this Bill should be brought in now. In the session of last fall the Government raised the duty on almost everything that is imported into Canada, and I thought they were right. During the recess Mr. Ryckman, the Minister of National Revenue, travelled from one end of Canada to the other gathering information, and on the basis of that information the Government brought in another Bill which they believed would protect our people. Again I thought they were right. Ever since Sir John A. Macdonald introduced the national policy, the practice of travelling around the country to find out what the people need has been followed. As a result of the changes made by the last Tariff Bill many old plants in Canada have been revived and given new life, and many new ones have been established by firms who have started to manufacture goods here, thereby giving employment to thousands of our people. And there is no doubt in my mind that the tariff which is being dealt with in another place at the present time will result in many other manufacturing concerns from other countries opening up branches in Canada.

Now, after the duty has been raised in the way and to the extent that it has been, the Government bring in this Bill to form a Tariff Board. I think they would have been well advised to wait to see how their new tariff was going to work out. With conditions as they are in Canada just now, no government would be justified, in my opinion, in going to the extra expense contemplated by this Bill. Every government should be retrenching rather than stepping out in the way that many governments are. Look at Australia, almost in bankruptcy. Look at Germany, with her banks closing. Look at any other country in the world to-day. I want to tell honourable members that conditions were never so bad before in the history of the world as they are now. Yet we in Canada go on creating $10,000 and $12,000 jobs just as if things were normal.

This Bill creates one job at $12,000 and two at $10,000, and with the additional cost of help, offices, office furniture and travelling expenses, the total will easily run to $100,000 before the end of this year. We have in the Grain Board in Western Canada a splendid example of what will happen. In 1928 the salaries of that Board amounted to $82,780, and expenses to $15,515,—a total of $98,295. In 1929 Mr. Malcolm, the Minister, appointed a new Board at greatly increased salaries, and in 1930 their salaries amounted to $143,370, their expenses to $27,021, the total being $170,-391, an increase in that one Board of over $70,000. And they are not doing more than half the work of the old Board, because with the Grain Pool working in Western Canada, as it has been for a number of years, there has not been more work for them to do.

Ontario, to my mind, is in a better condition than any other province. A person driving from Windsor to Montreal can see one of the best crops that Ontario has ever had. In fact, I have never seen Ontario looking any better than it does to-day. But when you go into the cities what do you find? Unemployment is rampant; there are riots in many cities, and bread lines in all. Thirty mayors of Ontario cities met in Hamilton last week to plan what they were going to do about unemployment. The mayor of Ottawa was there. Among other things, they asked that the Government should declare a moratorium, whereby their people might avoid losing their homes. Each mayor reported bad conditions in his city. I think that the Government would have been well advised to leave this Bill over until conditions become normal.

Take conditions in the other provinces. In every city there are thousands of unemployed. I want to tell you, honourable gentlemen, that in Western Canada there is a great deal of unrest. What is the condition of the farmers? Last year we had a small crop and low prices. I know of many farmers in Western Canada who did not get more than four or five cents a bushel for their barley, and from thirty to forty cents a bushel for their wheat. This year the crop is almost a failure. In many cases the farmers will not have enough feed for their stock, and in thousands of cases they will not get back as much grain as they sowed this spring. Last night we heard the Minister of Labour tell about conditions in the West. He said that from 100,000 to 150,000 persons would have to be fed during the coming winter. That being so, I for one will not vote for a Bill of this kind until conditions become better.

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

DIVORCE BILLS

FIRST AND SECOND READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the first and second times:

Bill V1, an Act for the relief of Rebecca Jacobs Wiseblatt.

Bill W1, an Act for the relief of Ada Jane Woodhams Bush.

Bill X1, an Act for the relief of Marie Rose Agnès Bélanger Gauron.

Bill Y1, an Act for the relief of Minnie Fagan Rabinovitch.

Bill Z1, an Act for the relief of Annie Bick Barder.

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

THE SENATE

Wednesday, July 15, 1931.

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

Prayers and routine proceedings.

DIVORCE STATISTICS, 1931

Before the Orders of the Day:

Hon. L. McMEANS: Honourable senators, it has been usual, after the Divorce Committee has concluded its labours for the session, to make to the House a report of the Committee's activities. I now beg to present the report for this session.

For the present session 50 notices of intention to apply to Parliament for Bills of Divorce were given in The Canada Gazette. Of the foregoing 43 petitions were actually presented in the Senate and dealt with by the Committee on Divorce, as follows:

Unopposed cases heard and recommended.	36
Opposed cases heard and recommended..	3
Opposed case heard and rejected..	1
Applications not dealt with owing to delays not having expired, etc..	3
Total..	43

Of the petitions recommended 8 were by husbands and 31 by wives.

Of the applications recommended 38 were from residents of the Province of Quebec, and one from the Province of Prince Edward Island. An analysis of the occupations followed by the applicants is as follows: chauffeur, commercial traveller, engineer, express clerk, fireman, hairdresser, married women, master mariner, nurse, physician, salesmen, saleswoman, secretary, stenographers, tailor.

In 19 cases the Committee on Divorce recommended that part of the parliamentary fees be remitted.

Assuming that all the Bills of Divorce recommended by the Committee and now in various stages before Parliament receive the Royal Assent, the comparison of the number of divorces and annulments of marriage granted by the Parliament of Canada in the last ten years is as follows:

1922..	102
1923..	117
1924..	130
1925..	134
1926..	124
1927..	196
1928..	239
1929..	238
1930..	247
1931..	39

Business is falling off.

GRAIN COMMISSION

INQUIRY

On the notice of inquiry:

By the Honourable Senator Sharpe:

That he will enquire of the Government:

1. What are the names of the members of the Grain Commission?
2. What were their salaries and expenses in 1930?
3. What rent are they paying for their offices in Winnipeg?
4. How many clerks and stenographers have they?
5. What are their names and salaries?
6. How much was spent on new furniture when they took over the offices?
7. How many assistants outside of Winnipeg has the Grain Commission?
8. What were their salaries and expenses for 1930?
9. How many complaints did the Grain Commission investigate in each of the three Prairie Provinces during 1930?

Hon. Mr. WILLOUGHBY: Stands.

Hon. Mr. SHARPE: I should like to ask the honourable leader of the Government when I may expect an answer to this question.

Hon. Mr. WILLOUGHBY: In reply to my honourable friend I may say that I understand that there is a good deal of work in preparing the return.

Hon. Mr. SHARPE: There should not be much. The inquiry is simple.

Hon. Mr. WILLOUGHBY: I will see, as far as I am concerned, that it is cleared up.

Hon. Mr. SHARPE: Thank you.

TARIFF BOARD BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Willoughby, the Senate went into Committee on Bill 47, an Act to provide for the appointment of a Tariff Board.

Hon. Mr. Gordon in the Chair.

Section 2 was agreed to.

Subsections 1 and 2 of section 3 were agreed to.

On subsection 3 of section 3—term of office:

Hon. Mr. DANDURAND: Honourable senators, I raised a question yesterday in regard to the tenure of office of the members of the Board, and my right honourable friend to my left (Right Hon. Mr. Graham) spoke at some length on this point. I have received no answer to the arguments that were made in favour of a shorter term of office, and I still feel that if the policy of a Government were rejected by the people at an election the new Government should not be hampered by an unsympathetic Board that would be able to remain in office for some years. In order to emphasize that view, I move in amendment, seconded by the Right Hon. Mr. Graham, that the word "ten" in the second line of this subsection be stricken out and replaced by the word "five," so that the subsection may read:

Each member shall hold office during good behaviour for a period of five years from the date of his appointment, but may be removed for cause at any time by the Governor in Council.

Hon. Mr. ROBERTSON: Do I understand my honourable friend moved an amendment?

Hon. Mr. DANDURAND: Yes, to replace the word "ten" by "five."

Hon. Mr. ROBERTSON: There are several reasons, which I think are pretty well known to the House, why the Bill was prepared in this form. One of the principal reasons is the honest effort to keep the question of tariff inquiry free from anything savouring of politics. Therefore it is proposed that the term of office for the members of the Board shall be ten years. That is based on a well established precedent, to be found in the Railway Act. I think it has never been seriously contended that the members of the Railway Board should be appointed for a period of less than ten years. They are presumed to act as guardians of the public interest in matters within their jurisdiction, and, generally speaking, I think they have performed that service well. My right honourable friend from Eganville (Right Hon. Mr. Graham) referred to this matter yesterday, but he did not stress his point in regard to the ten-year term. The tariff is one of the most important governmental matters, and only men of a high calibre, with wide business knowledge and experience, should be appointed as members of the Board. If they are to be set apart from influences that too frequently affect men in the public service, they ought to be in a reasonably independent position. It is evident that you cannot obtain the services of men of the proper calibre, experience and ability if the compensation is not substantial, or if they are to stand in awe of an approaching general election and in fear of decapitation.

Right Hon. Mr. GRAHAM: There are some wonderful precedents for that.

Hon. Mr. ROBERTSON: Therefore a period of ten years is suggested. There is the further reason that experience has taught clearly the undesirability of members of a Tariff Board becoming candidates for election. The advantage of their position is unfair to the other candidates; and the possibility of their becoming candidates is unfair to themselves as well, for it lessens their influence. It is urged by the Government, therefore—and the House of Commons has approved—that this Tariff Board shall be given certain judicial powers and be made a court of record, and that the term of office of the members should be on a par with that of the members of the Board of Railway Commissioners.

I have no desire to enter into a detailed discussion of the whys and wherefores. I think that in the main they have been outlined. The Government desires the Bill to pass as it stands, and therefore I am opposed to my honourable friend's amendment.

Hon. F. L. BEIQUE: Honourable members, I am afraid that the honourable the Minister of Labour is losing sight of the fact that there is no similarity between this Board and the Board of Railway Commissioners.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BEIQUE: This is a Bill to establish a Board dealing with political matters. The other Board is not political. It has to do with railway administration, which is outside of party politics. I think that a ten-year term would be too long, for the reason, mentioned yesterday by the honourable leader on this side of the House (Hon. Mr. Dandurand), that there may be a change of government during that time and it would be inadvisable to have on the Tariff Board officials who would not be in sympathy with the new Government. I am inclined to agree with my honourable friend from Manitou (Hon. Mr. Sharpe) that on the ground of economy this Board should not be established at this time of depression. The services to be performed under this Bill could well be carried on, without extra cost, by officials already in the pay of the Government. However, if there is to be a Board, I think that for the reasons that have been mentioned, the term of office of the members should be reduced to five years.

In my opinion the Board should be established, as in the past, by an Order in Council, not by a statute. I see no reason for the introduction of this Bill.

Hon. Mr. ROBERTSON: Does my honourable friend regard the Order in Council process as perfectly regular and legal in establishing a court?

Hon. Mr. BEIQUE: To establish a Board. I do not see any reason why this is called a court. It should be called a Board.

Hon. Mr. ROBERTSON: Would it not be rather difficult to carry out the additional duties assigned to this Board, under the Customs Act and the Combines Act, without legislative authority?

Hon. Mr. BEIQUE: I must confess that I am not quite prepared to answer that question.

Hon. Mr. ROBERTSON: In reply to the remarks of the honourable gentleman from De Salaberry (Hon. Mr. Béique), whose views I respect very highly, I must say that I disagree with the view that there is no comparison possible between this Board and the Board of Railway Commissioners. I understood him to assert that the one has to do with things more or less political, while the other has not. My mind runs back over the activities of the Board of Railway Commissioners for some years past, and I am quite sure that instances can be found in which those activities were not entirely devoid of political significance. If this Tariff Board is to perform the kind of service the country expects from it, namely, the finding of facts relative to certain subjects and the study of their effect on the welfare of the public and of certain industries concerned, there is a very great similarity between the two boards. I am inclined to think that they are very similar also in regard to the tenure of office, and I am of the opinion that the ten-year period has a great deal of merit and should at least be given a trial. Honourable members who have heard or read the discussion that has taken place on this same question in the other House must be convinced that the Government's objective is wholly worthy of support. I submit again that the Government is not prepared to agree to a curtailment of the term of office from ten years to five years.

Hon. Mr. DANDURAND: My honourable friend from De Salaberry has referred to the remarks of the honourable gentleman from Manitou (Hon. Mr. Sharpe). I realize the importance of those remarks. I have expressed my surprise at the setting up of a Tariff Board after the tariff had been completely remodelled. It occurred to me that it might be possible to dispense for the next two years with a Board which, in view of the two important revisions of the tariff that have taken place, does not seem to be necessary. The Government of which I was a member brought into existence a Tariff Board. We did it by Order in Council, but it was subject to the approval of Parliament, as Parliament voted the money. Now the Government brings in this measure to set up a new Tariff Board. While I cannot cite in express terms the declaration of intention made by the present Prime Minister when he was speaking to the people prior to the last election, I have a vague notion that he obtained a general mandate for the setting up of a Board, and I feel that his policy on this point should not be thwarted by this Chamber. But we can discuss the form of the Bill.

My honourable friend has said that in order to insure the full independence of the members of the Board, it is to be enacted that they shall not offer themselves for election to Parliament within two years after they have ceased to be members of the Board. I do not intend to controvert that statement of policy, because there is some virtue in it.

My honourable friend asks: "Where shall we find men who will consent to sit for five years? Should we not make sure of securing the proper men by giving them a term of ten years?" On this point I am quite sure that if the Government were fortunate enough to secure men who had the necessary qualifications for the office, and who proved their qualifications and made a reputation for themselves during a five-year term, their services would be continued. But if, with the best of intentions, the Government secured men whose actions proved them to be unsuitable, it would be quite natural for the people, should they alter their views on tariff questions and elect a new Government, to expect that those men would be replaced. I believe, therefore, that the five-year tenure of office would be a greater protection to the country, as well as to my honourable friends themselves, than the ten-year term, for I am quite sure that then the fair thing would be done by the country irrespective of the political faith of members of the Board. It is possible, and I hope it is probable, that the men chosen to do this work will be selected from outside of the political field. If that is done, and if they render the service which we hope they will, they need not fear a discontinuation of their services, no matter who is in power.

Hon. C. P. BEAUBIEN: May I briefly submit to the leader on the other side of the House some considerations that may cause him to hesitate in pressing the merits of his amendment. I think everybody in this House will admit that there is nothing so important or vital to a country as a proper tariff. As a matter of fact, the tariff has been the line of cleavage between the two parties in this country since 1878. A Board charged with the investigation of facts enabling a Government to create as perfect a tariff as is possible will exercise functions of the highest importance. Besides, the Board will have other very important duties to perform; inter alia, the administration of the customs law, and the application of the law concerning combines.

Now, in considering this matter may I ask my honourable friends opposite, especially my honourable friend the leader on the left (Hon. Mr. Dandurand)—who, no doubt, in days gone by had to advise his Government in the selection of proper representatives for certain boards, particularly the Railway Board—to revert to the past? If a situation was vacant on the Railway Board, for instance, where could a proper candidate be found? Such a candidate must be fully qualified. He must be of a certain age, and must have a standing in the community. That man must have created that standing for himself, and consequently must have roots deeply embedded in his profession or his calling in life. I ask my honourable friends where they could find a man willing to give up all he had accomplished for such a brief tenure of office as five years. I will ask my honourable friend (Hon. Mr. Dandurand) whether in the past he has not had difficulty in choosing representatives for the Railway Board, even with a ten-year term. I am aware that it is no easy task to select a properly qualified man who is ready to accept such a situation even for a tenure of ten years. Why make it almost impossible for the Government to secure full-sized men by so reducing the term of office? If it is a good thing to have a Tariff Board, let us give the Government every liberty to pick and choose its personnel with care.

Hon. Mr. DANDURAND: Will my honourable friend allow me to reverse the proposition? Have not Governments at times been very much hampered by the fact that they had made an appointment for ten years?

Hon. Mr. BEAUBIEN: I do not know that I could answer that question.

Hon. Mr. LAIRD: Name, please?

Hon. Mr. BEAUBIEN: I suppose my honourable friend has had a great deal more experience in that respect than I have. It seems to me that it is impossible to have a Board worth having unless the men are perfectly qualified, and you cannot get proper qualifications if you have an appointment lasting only five years.

Right Hon. Mr. GRAHAM: Honourable members, the Minister of Labour has referred to something that I said. I will not repeat it, but would call attention to what hinges on it—that the duties, responsibilities and resultant work of the Railway Board are not comparable, and cannot be comparable, to those of a Tariff Board.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. GRAHAM: I do not believe that we ought to give the members of the Board any term except at the pleasure of the Government; and at the salaries paid you can get plenty of good men to take the positions, especially in these times, even if the appointment is only during pleasure. To my mind this five-year term is a compromise, which I am not extremely desirous of seeing adopted. I would rather vote altogether against the term, and I can assure you, from experience, that there will be no difficulty in getting men for these positions.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. GRAHAM: I believe that the large majority of the membership of this House will agree with me that the duties of a Tariff Board which has to do with the fiscal policy of the country cannot be compared at all with the duties of a Railway Board, which deals with nothing of that kind.

My honourable friend (Hon. Mr. Robertson) is a good man; that is agreed; but the country gets him as Minister of Labour for five years, with no assurance that he will be there longer; and he will not unless the country says so. The Prime Minister must be as good a man as you will get for this Tariff Board, but he has no assurance that his position will be secure for more than five years, or perhaps four years. So there should be no trouble in getting men just as able as you will want on the Tariff Board, which is going to be connected with the identical things that my honourable friend and the Prime Minister deal with. When we suggest five years as a compromise, we are, in my judgment, going a long way to meet the situation.

Hon. Mr. LAIRD: I would ask my right honourable friend what his comment would be with regard to the Board of Grain Commissioners, who were appointed in 1929, and whose terms run for ten years at salaries of $12,000 and $10,000 a year.

Hon. Mr. LEMIEUX: They deal only with grain.

Right Hon. Mr. GRAHAM: I should not be prepared to answer unless I studied the Grain Act.

Hon. Mr. LEMIEUX: I would suggest to my honourable friend from Montarville (Hon. Mr. Beaubien) that good men are not difficult to find in Canada. We must have some pride in our country, and we must have confidence that in the nine provinces there are men who are able to undertake and perform the sacred duties of the Tariff Board for a term of five years. The Governor General of Canada, who is a Viceroy, is appointed for five years.

Hon. Mr. GRIESBACH: No.

Hon. Mr. LEMIEUX: The Lieutenant-Governors are appointed for five years.

Hon. Mr. GRIESBACH: No. Surely the honourable gentleman does not seriously contend that there is any fixed tenure in the appointment of either of those officers. It is perfectly well known that there is not. There is a practice merely, but there is no term.

Hon. Mr. LEMIEUX: The practice is for five years. I am a son-in-law of a Lieutenant-Governor. When his five-year term was completed he was appointed for a further term of five years. Generally speaking, the Lieutenant-Governors are appointed for five years.

Hon. Mr. LAIRD: They are not appointed for five years.

Hon. Mr. LEMIEUX: That is a play on words. It is well known that in Manitoba, Saskatchewan and Alberta the Lieutenant-Governors have been acting as such for five years, not more.

Hon. Mr. LAIRD: But they have not been appointed for five years.

Hon. Mr. LEMIEUX: It is a play on words; the practice is for five years. Now, as regards the Railway Board, my honourable friend from Montarville has rather exaggerated. I have followed the Railway Board since its inception, and I say that every man appointed as chairman of that Board has been an excellent man. Some of the names I forget at the moment, but the men who acted on that Board, from Mr. Blair down, were the best men that the country could secure. I do not know what my honourable friend has in mind when he says, "Look at the Railway Board." I am proud of our Railway Board. Whether appointed by one party or by another, it has always been a credit to Canada, and I think every Canadian, of the East or the West, is proud of that Board. It is a court of record, and is so mentioned in the Statute. I know that the functions of the Tariff Board will be very important, but, as my honourable friend himself says, the two parties have been at loggerheads on the tariff question since 1878. If my honourable friend will look back he will find that before Confederation there were two parties in Canada, the low tariff party and the high tariff party; and it so happened that some who were at first low tariff men became high tariff men.

Hon. Mr. POPE: And they came into the Conservative Party.

Hon. Mr. LEMIEUX: Certainly. This shows that the tariff issue is a shifting issue. For one period of time, owing to circumstances not of their own making, men may be low tariff men, and later, for certain reasons originating in our own country or in other countries, the low tariff men may be inclined to increase the tariff. The tariff is not a gospel. It is changed when the interests of the country are at stake. Why make a gospel of the tariff? I say it is an issue that may change from year to year. Take the present Government: it is a high tariff Government, and strongly protectionist views are expressed by its able leader, yet since September last it has been obliged to change some items which were increased at that time. Why, then, make the tariff rigid law? It is a law for the time being, but surely it is not a crime to alter that law when circumstances warrant it.

Therefore I say this tariff issue is essentially a political question. What is the meaning of the word "political"? My honourable friend is an expert in Greek: if he considers the origin of the word he will remember that it relates to the administration of the "city," meaning the country. Why, then, impose on the electors of Canada for ten years a law, or decree, or ruling which may be condemned by the people at the polls within five years? Why have an immovable tribunal inspiring awe and fear, whose decisions pronounced on the tariff could not be reversed? Let us be really serious. I am ready to vote for a five-year period. It is the will of the Government to have this Tariff Board. I do not approve of the high tariff of the Government, but it is in power and has a mandate from the people,

as the honourable leader of the Left says. But its mandate is for five years, and not for ten, and I see no crime in limiting to five years the term of office of that awe-inspiring Tariff Board.

Now, let us not exaggerate things. In the nine provinces of Canada we have able men, stalwarts who are willing to serve their King and country on the Tariff Board and could do so with credit to themselves and their country.

An Hon. SENATOR: At a dollar a year.

Hon. Mr. LEMIEUX: I would not take dollar-a-year men. We had experience in that respect during the War, not so much in Canada as in the United States. Many persons in the United States who volunteered their services at a dollar a year turned out to be absolute frauds, and it was found when the War was over that they had accumulated large fortunes by means of their positions. What happened in the United States might happen here. I say, give the men a salary such as we pay good men in positions of that kind, but give them a term of five years. Do not in advance bind the Government which will come in after this one, whether it be a Liberal, a Radical or a Labour Government. Things are very uncertain in these years. Where is the Liberal party in England to-day?

An Hon. SENATOR: It is dead.

Hon. Mr. LEMIEUX: Not dead, but in agony. The British Labour Government is made up of Radicals, Conservatives, Tories, and Labour.

Hon. Mr. DANDURAND: And university professors.

Hon. Mr. LEMIEUX: Intellectuals and university professors. Why should you bind future Governments? I dislike this imposition on the future, when all may be changed. I will vote for the amendment to limit the appointment to a term of five years, because it is common sense. My vote will not be on party lines. When I took my seat in the Senate I determined to give the Government fair play, and in this matter the Government will receive fair play at my hands. This is a question as to a term of years. Five-year terms are enough for the Governor General, and for the Lieutenant-Governors. My honourable friend (Hon. Mr. Griesbach) says the Lieutenant-Governors are not appointed for five years, but who refuses an appointment as Lieutenant-Governor?

Hon. Mr. LAIRD: I can tell you of some who have refused.

Hon. Mr. LEMIEUX: Oh, well, some have refused because the salary was not high enough or they did not want to rust.

Hon. H. W. LAIRD: The honourable gentleman challenged me, and I answered. After the eloquent remarks of my honourable friend I am inclined to use that scriptural quotation, "Almost thou persuadest me."

Hon. Mr. DANDURAND: Say that louder, please.

Hon. Mr. LAIRD: I am so impressed with what my honourable friend says that I am almost persuaded to vote against this Bill. His appeal to me and to the House and his eloquent objections to the longer term have almost convinced me that he is right; but there is one thing that brings a doubt in my mind—just one thing—and if that were only cleared up, the probability is that I would concur in his opinion. What I cannot comprehend, in spite of my honourable friend's strenuous remarks, is this. When the previous Government appointed a Board of Grain Commissioners in 1929, it appointed them for a period of ten years, and at salaries exceeding those provided for under this Bill. Now, my honourable friend was a member of the Government that constituted that Board and made those appointments.

An Hon. SENATOR: No; he was Speaker.

Hon. Mr. LAIRD: I should not say a member of the Government; I should say, perhaps, that he occupied an even more honourable and trusted position in the Government: he was Speaker of the House of Commons. But he had been elected as a supporter of that Government. I did not hear of my honourable friend coming down from his Chair, exercising the prerogative which he had as a representative of the people, and protesting against that Bill which provided for ten-year appointments. I never heard of him protesting against the salaries provided under that Bill, which exceed the amount mentioned in the measure before us. So I cannot regard the honourable gentleman as being in earnest to-day, when I recall that such a short time ago he was a party to the creation of a Board under virtually the same provisions as in the present Bill. This is what gives rise to a doubt in my mind. Otherwise I might have supported his view. I asked for an explanation from my right honourable friend from Eganville (Rt. Hon. Mr. Graham): he was nonplussed for a moment, and then, with that genial disposition of his, he avoided the question, leaving it in the air. I now propound it to my honourable friend.

Hon. F. L. BEIQUE: I rise to call the attention of my honourable friend from Montarville (Hon. Mr. Beaubien) to the question whether the effect of his proposition, if carried out, would not be to embarrass a new Government whose policy would not be in accord with that of the Tariff Board. It is perfectly plain that under such circumstances the Government would take measures to get rid of the Board. The consequence would be that it would have to indemnify the members of the Board for their additional five years.

Hon. Mr. BEAUBIEN: It seems to me that such a conclusion does not necessarily follow. The Board is really and simply a fact-finding Board; that is all.

Hon. Mr. DANDURAND: Just like the former one.

Hon. Mr. BEAUBIEN: The Board will ascertain what are the facts concerning an industry; for instance, what is the cost of production of a certain article in this country and in the countries that compete for the sale of that article in our market. That is the sort of information which the Government wants in order to work out its policy. But it does not at all follow that from those same facts another Government could not draw very different deductions. The Tariff Board is created simply for the gathering and accumulation of material to be used by any Government for its enlightenment in developing its own policy, whatever it may be.

May I take this opportunity of replying to my honourable friend from Rougemont (Hon. Mr. Lemieux)? It seems passing strange to me how he could construe my remarks as an attack on the Railway Board. I stated that the ten-year term enabled us to get good representatives on the Railway Board, and that without provision for such a tenure of office we could not get them. That was the whole of my argument in this respect, and I think if my honourable friend will read my remarks he will find there was no justification for the interpretation that he has placed upon them.

Hon. A. B. COPP: Honourable senators, I should like to associate myself with the honourable member from Manitou (Hon. Mr. Sharpe), who addressed the House on this question yesterday. In the first place, I agree with him that at the present time there is no need for the organization of a Tariff Board in the Dominion of Canada, for the reasons that he stated. Such a Board would cost a great deal of money, and during the present state of affairs in Canada it is very doubtful whether this large expenditure should be undertaken. Another one of my honourable friend's reasons appealed even more strongly to me, namely, that the work a Tariff Board could do at present has practically been done. As was stated by an honourable gentleman on my left, there is a cleavage or line of demarkation between the parties in the other Chamber in regard to the tariff, which has always been more or less an issue. We have a low tariff party and a high tariff party in Canada, and to-day the high tariff party is in power. During the short session of Parliament last fall, as well as at the present session, the tariff question has been considered and responsibility has been taken by the party in power for setting the tariff as high, surely, as anybody could naturally expect. As is well known, I have been during my lifetime—possibly it may be said I have had a lifetime prejudice—opposed to high protection in this country. We have a high protection tariff in Canada at present, and I suggest, with my honourable friend from Manitou, that we should try out that tariff during the next four years and see what effect it will have on the country. Should the effect be beneficial, then my honourable friends on the opposite side of the House will deserve and receive a great deal of credit for advocating such a tariff.

I will go further than my honourable friend from Manitou, and say that personally I am not wedded to the idea that we need a Tariff Board. At all times the Minister of Finance, whoever he may be, and the Government of the day, have full power and authority to deal with tariff matters. They are able to get all the facts required, and they have the opportunity of consulting the best informed men in the country, men who are well versed in economic and political affairs. We know from experience that a Tariff Board can be expensive. The proposed new Board would be more costly than the old one, because, as we have been told by the honourable gentleman who is piloting the Bill through the House, the intention is to establish a court. The salaries of the members would represent only a small part of the total annual outlay for this body. I repeat that, as my honourable friend from Manitou has said, we should consider very carefully whether we need a Tariff Board, since we can have it only by making such a heavy expenditure.

In regard to the amendment to reduce the term of office for members of the Board from ten to five years, I agree to a large extent with what has been said by my honourable friends on this side of the House, but not

altogether for the same reasons as they expressed. I take my stand not so much upon the ground that a new Government coming into office at any time should be able to appoint a Tariff Board of its own, as upon the ground that during the next three, four or five years the members of Parliament and the people as a whole will have time and opportunity to make up their minds as to whether we need a Tariff Board in Canada. If the Board is found to be unnecessary, we should not keep it longer than we have to. For that reason, honourable senators, I shall vote in favour of the amendment for the five-year term.

Some Hon. SENATORS: Question!

Hon. R. FORKE: Honourable members, I feel sorry, as I think most members on this side of the House do, that the honourable member from Regina (Hon. Mr. Laird) has found a difficulty in regard to the Grain Commission.

Hon. Mr. LAIRD: I did not find any difficulty.

Hon. Mr. FORKE: If the Grain Commission is wrong—

Hon. Mr. LAIRD: I did not make any such statement.

Hon. Mr. FORKE: All right. The honourable gentleman brought up the Grain Commission as an example—

Hon. Mr. LAIRD: All I said was that the honourable gentleman (Hon. Mr. Lemieux) applauded, only a year ago, the appointment of the Grain Commission for a ten-year term, and yet he objects to ten years for the Tariff Board.

Right Hon. Mr. GRAHAM: He could not applaud where he was.

Hon. Mr. FORKE: I thought my honourable friend (Hon. Mr. Laird) said if it had not been for that he would have voted for the five-year term.

Hon. Mr. LAIRD: Oh, no.

Hon. Mr. FORKE: We shall see to-morrow what my honourable friend said. I thought he said there was an obstacle in the Grain Commission—

Hon. Mr. LAIRD: No, I did not.

Hon. Mr. FORKE: We shall see to-morrow what he said.

Hon. Mr. SCHAFFNER: Why not accept the honourable gentleman's statement?

Hon. Mr. FORKE: We can attend to this ourselves; we do not need any assistance.

Hon. Mr. SCHAFFNER: He has told you what he said. Why do you not accept it?

Hon. Mr. FORKE: I have accepted what he said. I thought—

Hon. Mr. SCHAFFNER: I do not think you need tell us that again.

Hon. Mr. FORKE: If my honourable friend would keep his seat, it would be better. He is inclined to interrupt when I speak. If he would keep his seat—

Hon. Mr. SCHAFFNER: Go on.

Hon. Mr. FORKE: The Minister of Labour intimated that members of the Tariff Board should be "set apart," and I think someone on this side of the House referred to their "sacred duty." I was almost going to suggest that apparently these men will be "consecrated" to their duty—that they will be "sacred" men. But I do not know where such men will be found. I differ from the honourable gentleman who said that there would be difficulty in finding men to act on this Board; but if they had to be of the calibre suggested by the Minister of Labour and some others, I do think there would be difficulty.

The tariff policy of the present Government is well defined. The present Prime Minister has had no hesitation in stating what his policy will be for the next four or five years. I think we all recognize his courage and sincerity in putting his program into effect. But now it is suggested that he is going to get a Tariff Board to advise him what to do. Is anyone so simple as to believe that any Tariff Board will be created that will in any way change the policy that is at present being put into operation?

Some Hon. SENATORS: Hear, hear.

Hon. Mr. FORKE: I do not think it is possible, and I do not think we have any right to expect it. I feel perfectly sure that if a Tariff Board is appointed, it will have to bring to the Government things in line with the Government's declared policy. How could it be otherwise? Has the Prime Minister on any occasion expressed any hesitation, any doubt, in regard to the policy that he is going to follow? He made himself clear before the election, and he has done so since. Does anyone believe that any Tariff Board will change his mind? I for one do not.

The proposed ten-year term is a long time. And think what the cost of the Board will be. I am afraid that the references, before a committee sitting in this building, to the huge

sums that it is said have been made by some men in a few days are having an influence on the question of what remuneration should be paid to members of the Tariff Board. It is said that men have been making $5,000, $10,000, $20,000 in a day or so—

Hon. Mr. LAIRD: Millions.

Hon. Mr. FORKE: —or millions, if you like. In comparison, $10,000 or $12,000 a year seems a very small sum. But in my eyes it is a very big sum, and I say that anyone who gets $12,000 a year for filling a position as a member of the Tariff Board for five years is being adequately remunerated for his services. Besides, there is a great honour in one of those positions. But I am under no misapprehension as to the views that will be held by the members. Does anyone think for a moment that the Prime Minister will appoint a man who holds my views on the tariff? He certainly will not. In every walk of life in the Dominion of Canada you will find men of ability and prominence who hold definite ideas in regard to the tariff. I do not agree with the honourable member who said that people often change their minds on this question. In their opinions on the tariff the people of this country are divided into two distinct classes, those who believe in a moderate tariff and those who believe in adequate protection.

Hon. Mr. SHARPE: What is the difference?

Hon. Mr. FORKE: I suppose the difference sometimes has not been great, but it ought to have been. Perhaps there will be more difference in the future. I admire the present Prime Minister for the definite stand he has taken. I differ from him entirely, I believe he is utterly wrong, but I admire his courage and the methods he has taken to put his views into effect. I hope that my honourable friends opposite will agree to the five-year term of office for the Board. I think in five years we shall have a change of government—

Hon. Mr. STANFIELD: Don't joke.

Hon. Mr. FORKE: I am speaking seriously. I am not attempting to say whether the new Government will be Liberal, Labour or Conservative. Great changes are taking place these days. There is an important movement in the West, and no one can tell what will happen, but it would not surprise me that after the next election neither Liberals nor Conservatives should have a majority in this House. We may return to the same kind of conditions that prevailed in 1926.

Right Hon. Mr. GRAHAM: This House is all right.

Hon. Mr. FORKE: This House is all right. I am afraid I have not got away from old associations. But give me time.

Hon. W. H. SHARPE: I should like to have my remarks of yesterday clearly understood. I think I stated plainly that I was absolutely against this Bill. So I am. I will vote against the Bill at every opportunity I get, because I think it should not be brought in at the present time. But I do not intend to vote for any amendment that may be proposed.

Some Hon. SENATORS: Question!

Hon. A. B. GILLIS: I should like to ask the honourable member for Brandon (Hon. Mr. Forke) a question. When he was a minister he was a member of an administration that appointed the Grain Board for a term of ten years. Why should he object to the appointment of a Tariff Commission for the same length of time?

Hon. Mr. FORKE: They are not in the same category at all.

Hon. Mr. GILLIS: Absolutely the same.

Hon. Mr. FORKE: The Grain Board has nothing to do with politics at all. It deals with nothing but grain, and is free and non-political. Its rulings are definite, and there is no recourse against them. But the Tariff Board will be in an entirely different position. We have been told several times that it will be only a fact-finding body.

Hon. Mr. GILLIS: Will it be a political board just because it has to look for information and facts?

Hon. Mr. FORKE: One is a non-political body; it has nothing to do with the Senate and the House of Commons—

Hon. Mr. GILLIS: The honourable gentleman said that one was a non-political board and the other—

Some Hon. SENATORS: Question!

Hon. Mr. LACASSE: Honourable members—

Some Hon. SENATORS: Question!

Hon. Mr. LACASSE: I listened while other members were speaking, and I expect them to treat me in the same way. While my honourable friend from Brandon (Hon. Mr. Forke) was speaking a moment ago, I heard an honourable member opposite invite him, in a most sarcastic way, to speak English. Therefore I shall make my remarks in French.

(Translation) There is a general principle which the present Prime Minister is apparently very scrupulous in observing, namely, that the various governmental officials should be in sympathy with the Government itself. Two recent facts prove clearly the truth of this assertion: first, the successive resignations of all the members of the different harbour commissions upon the present Government's coming to power; secondly, the immediate replacement of the High Commissioner for Canada in London and the appointment at Washington of a new personage, in sympathy with the Government.

My honourable friend from Bedford (Hon. Mr. Pope)—who, because of his education being broader than that of other members of this Chamber, should understand what I am saying at present—treated with a satirical smile the honourable senator from Brandon's (Hon. Mr. Forke's) remark that there would probably be a change of government in three or four years. I wonder why, if the friends of the present Government are so sure of its permanency, they deem it necessary to insert in this Bill the long term of ten years for the members of the proposed Board, in order to continue to govern even after the people have turned them out of office.

I would call attention also to the remarks of my honourable friend from Regina (Hon. Mr. Laird) with reference to the honourable senator from Rougemont (Hon. Mr. Lemieux). The honourable gentleman from Regina is scandalized because the honourable senator from Rougemont, when presiding over the House of Commons, did not consider it his duty to express an opinion at the time of the establishment of the Board of Grain Commissioners. The reason why he thus refrained may perhaps be found in the fact that the honourable gentleman (Hon. Mr. Lemieux), who was then Speaker of the Commons, had a greater respect than others have for the traditions of that high office.

An Hon. SENATOR: Order!

Hon. Mr. LACASSE (Text): I do not know whether I am called to order because I am not speaking in English. Very few members here, I regret to say, fully understand my words, and others perhaps think I have exhausted the subject. That is not the case. However, I thank all honourable members who have been courteous enough to listen to me, even if some of them have not understood my remarks as well as they will after reading them in Hansard.

Some Hon. SENATORS: Question!

Hon. Mr. ROBERTSON: I do not want to prolong the discussion, except to suggest that subsection 3 of section 3 of the Bill does not provide irrevocably for a ten-year term. It provides that:

> Each member shall hold office during good behaviour for a period of ten years from the date of his appointment, but may be removed for cause at any time by the Governor in Council.

So I should say that if at any time the members of the Board were not behaving properly, in the opinion of the administration then in office, it would be quite within the power of the administration to relieve the members of their duties. But by that time this whole discussion may well be forgotten.

The only other matter to which I wish to refer is the statement of the honourable member for Rougemont (Hon. Mr. Lemieux) that the Board would not be a court. I refer him to subsection 6 of section 5, which declares that—

> The Board shall be a court of record, and have an official seal which shall be judicially noticed.

Right Hon. Mr. GRAHAM: And which I do not believe.

Hon. Mr. ROBERTSON: That is all I desire to say.

Some Hon. SENATORS: Question!

The proposed amendment of Hon. Mr. Dandurand was negatived: contents, 30; non-contents, 35.

Hon. Mr. LEWIS: I was paired with the honourable member for South Toronto (Hon. Mr. Macdonell). Had I voted, I should have voted for the amendment.

Subsection 3 of section 3 was agreed to.

Subsections 4, 5 and 6 of section 3 were agreed to.

On subsection 7 of section 3—not to be candidate for two years after retirement:

Right Hon. Mr. GRAHAM: I shall not move any amendment to this provision, but I suggest to my honourable friend the wisdom of altering the subsection, or adding to it, so that no member of Parliament shall be eligible for appointment to the Board until two years after he has ceased to be a member.

Some Hon. SENATORS: Oh, oh.

Subsection 7 of section 3 was agreed to.

Sections 4 to 14, inclusive, were agreed to.

On the preamble:

Right Hon. Mr. GRAHAM: Before the Committee reports, may I say a word? I see here a section providing that the decisions of the Board shall be embalmed in the Canada Gazette. I would suggest that in the regulations some additional method should be devised for the distribution of this information to the public. As a matter of fact, no person in business would think of a notice of some transaction that required publicity being published in the Canada Gazette. I do not say that the notice should be in a newspaper, because my honourable friend over there (Hon. Mr. Laird) and myself might be thought selfish. But this reference to publication in the Canada Gazette is a stereotyped phrase. The public do not know anything about the Canada Gazette for the dissemination of news. The old Tariff Board had a mailing list of the names of those who were likely to be interested in what might come before the Board. It was the practice to send copies of all applications to persons whose names appeared on that list, and to give notice when hearings were going to be held. Within a very short time the new Board will have such a list—and it will grow very rapidly. This should overcome in large measure the difficulty in the mind of my honourable leader (Hon. Mr. Dandurand), who wondered whether persons whose interests were adversely affected would have an opportunity to appear.

Hon. Mr. ROBERTSON: May I suggest that my right honourable friend is now discussing section 12, in Part II, which refers to decisions under the Customs Act. I may be mistaken, but I do not think that it relates to the necessity of publishing Tariff Board findings. They are findings of fact, and will be reported to the Finance Minister, and to Parliament as required. The publication in the Canada Gazette, referred to, relates, I presume, only to decisions of the Tariff Board when functioning in connection with Customs Board matters.

Right Hon. Mr. GRAHAM: Undoubtedly; but the public will be just as much interested in the decisions of the Board in that connection as on anything else. I am not confining myself to any clause of the Bill. I rose merely for the purpose of making a suggestion as to how the public might be informed of what is being done. My honourable leader raised the question, "Would an industry whose manager thought its interests adversely affected have an opportunity to come before the Board or protest against a decision that he thought had been made?" The only answer was a quotation from the Bill. I think that in any case an opportunity would be given; but if there is proper publication of notice as to the time when hearings are to take place nobody will have any excuse for not appearing before the Board. I appeal for more publicity of the decisions of the Customs Board as well as of the Tariff Board.

The preamble was agreed to.

The title was agreed to.

The Bill was reported without amendment.

THIRD READING POSTPONED

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

Hon. Mr. DANDURAND: To-morrow.

Hon. Mr. ROBERTSON: With the consent of the Senate, I suggest that it be read now. Word has just lately been received that an Interim Supply Bill will be brought to this House before it adjourns, and that there is to be a Royal Assent at about 5.45. If we could give this Bill the third reading now it would be disposed of. I am in the hands of the House, but that is my suggestion.

Hon. Mr. DANDURAND: I would draw my honourable friend's attention to a very great danger that might follow the sanctioning of this Bill this afternoon. If this Board were to start its work to-morrow it might thwart the Prime Minister's schedules now before the House of Commons.

Hon. Mr. ROBERTSON: The Assent is sought for the Interim Supply Bill only, in order that the civil servants may be paid.

Hon. Mr. DANDURAND: Well, if it is not the intention to have this Bill assented to this afternoon, I would ask my honourable friend to follow the usual procedure and take the third reading to-morrow.

Hon. Mr. ROBERTSON: After the discussions that have taken place in this Chamber in regard to our observing the rules, I should not be disposed to urge the point at all were it not that we are drawing near to the end of the session, and some honourable gentlemen—I think, on both sides of the House—have intimated that they would like to get away for a day or two.

Right Hon. Mr. GRAHAM: I do not think so.

Hon. Mr. ROBERTSON: It is only to facilitate the work of the House and to accommodate certain members that I have suggested it.

Right Hon. Mr. GRAHAM: I am always desirous of obliging a Government. I have been in one myself and know how it feels. But the country is looking on the Senate, and is pricking up its ears, because it has learned that we are discussing things with some intelligence and, at times, with some vim, even though we are over seventy. I think that in dealing with this very important measure that we have been discussing for a day or two it would be better to adhere to the rule. It does not look as though the Government were trying to hurry us—I know it is not—and I am sure that it would look better to let the motion for third reading stand.

Hon. Mr. ROBERTSON: I am quite willing to bow to the desire of the House in this matter. My only thought was of the convenience of members and the possibility of getting through early.

The motion for the third reading stands.

DIVORCE BILLS

THIRD READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the third time, and passed:

Bill V1, an Act for the relief of Rebecca Jacobs Wiseblatt.

Bill W1, an Act for the relief of Ada Jane Woodhams Bush.

Bill X1, an Act for the relief of Marie Rose Agnès Bélanger Gauron.

Bill Y1, an Act for the relief of Minnie Fagan Rabinovitch.

Bill Z1, an Act for the relief of Annie Bick Barder.

IDENTIFICATION OF ALIENS BILL

REPORT OF SPECIAL COMMITTEE

Hon. Mr. BEAUBIEN moved concurrence in the report of the Special Committee to whom was referred Bill A1, an Act to provide for Alien Identification Cards.

Hon. Mr. DANDURAND: Would the honourable gentleman be able to inform this House as to the departments which have been consulted in this matter?

Hon. Mr. BEAUBIEN: The Immigration and the Justice Departments.

Hon. Mr. MURDOCK: I notice that in paragraph (a) of section 2 these words occur:

(a) "alien" means a person who is not a British subject.

How does it come that we see in the newspapers that a number of British subjects have been deported from Canada during several months past because, as I understood, they were regarded as aliens?

Hon. Mr. GRIESBACH: I did not hear that question. What is the statement?

Hon. Mr. MURDOCK: Section 2, as it is before us, says:

2. In this Act, and in all Orders in Council and regulations made hereunder, unless the context otherwise requires,—

(a) "alien" means a person who is not a British subject.

When this matter was under discussion before, I asked the question—which somebody said was foolish—whether my honourable friend from Brandon (Hon. Mr. Forke) and myself would be required to fill out alien identification cards. This clears the matter up for us: we do not appear to be required to fill out such cards. But in the press recently we have read of numerous instances where it was said that British subjects had been deported. Why? Were they aliens?

Hon. Mr. BEAUBIEN: If I understand my honourable friend rightly, his question has no bearing on this Bill, because the definition of aliens is clear as set out in paragraph (a) of section 2. My honourable friend's question refers to a newspaper report stating that, probably under the immigration law, certain British subjects have been deported. Well, I am sorry to say that I cannot give my honourable friend any satisfactory answer as to those newspaper reports; but I repeat that his remarks are foreign to the present Bill.

Hon. Mr. MURDOCK: "Alien," as here interpreted, would appear to be different from "alien" as mentioned in the Immigration Act. Is that it?

Hon. Mr. BEAUBIEN: In answer to that question I must say that the definition has been taken from both the Immigration Act and the Naturalization Act; it is therefore well known in law, and well tried for a number of years. Certainly, as my honourable friend can see, the word "alien" does not include a British subject.

Hon. J. J. DONNELLY: Honourable members, when this legislation was being considered before the second reading, I expressed the opinion that the Bill as introduced would not attain the object its promoters desired. But the Bill was given second reading and referred to a special committee.

The Bill as now before us is virtually a new Bill, but the best that I can say for it is that it is less objectionable than the other. I still think, however, that it is objectionable, and I shall endeavour to point out some of the reasons. Section 4 is a great improvement on the original Bill, as it does not require an alien in this country to fill out his identification card until he has been given a proper

chance to become a British subject; but, as I pointed out before, many of the people who are giving us trouble along the lines referred to are British subjects, and this Bill will not apply to them. I think it is class legislation. If you carefully read section 3 of the Bill you will find, in regard to certain restrictions placed upon immigrants coming into this country, that the restrictions apply to people coming in by vessel. Section 2, paragraph (c), gives this definition:

(c) "vessel" includes every boat and craft of any kind whatsoever for travel or transport other than by land or inland or coastal waters.

The practical effect would be that only those coming by ocean boats would be obliged to get identification cards before they came ashore.

Now we have the form of identification card. It would be necessary for every alien to have his photograph and to answer the questions on the card. It appears to me that the requirement that the alien shall have his photograph taken will be very difficult to carry out on vessels bringing in immigrants.

Another objection to the measure in its present form is this. I understood from the promoters that they proposed to bring in a Bill that would not apply to Americans. Though it does not apply to Americans coming in at present, yet, as I read the Bill, it does apply to Americans who are in this country now and have not become British subjects. They will be liable to all the penalties imposed by this measure.

In committee I took objection also to section 9:

9. Any alien or other person who knowingly makes any false statement of fact in order to procure the issuance or renewal of a card of identification shall be guilty of an indictable offence and liable to seven years' imprisonment.

I took the ground that seven years' imprisonment was an excessive penalty. I was met with the argument that that is the usual penalty for perjury. That may be true, but it does appear to me to be a great hardship that a stranger coming into our country, who perhaps does not understand the English language, should become liable to seven years' imprisonment if, having been brought before a tribunal, and being in a difficult position, he makes a misstatement. That penalty seems to me an unreasonable one to impose.

I think the Bill is very involved, so much so as to be unworkable, and I do not think it would be in the interest of the public, or enhance the reputation of this Senate, to send the Bill over to the House of Commons in its present form.

Hon. Mr. DONNELLY.

Hon. Mr. BEAUBIEN: May I endeavour to answer my honourable friend? His first objection is that this Bill does not apply to British subjects. Of course it does not, and it is not intended to do so. It is not a panacea for the cure of all the ills of the country. The intention of the Bill is to allow Canada to exercise better supervision and control over the alien element in this country that is causing trouble. That is as far as the Bill is intended to go, and I do not think it would be possible to extend it beyond those limits.

As to the second point, respecting the photograph, I readily admit that it presents some difficulty, yet the majority of the members of the Special Committee, who carefully studied this matter, came to the conclusion that the photograph was one of the most useful elements in the case. I think that is true. The best means of identifying a man is his photograph. A description such as you have on a passport, giving a man's height, the shape of his face and the colour of his hair, does not go very far in enabling the police to identify him. If by requiring a photograph the law is rendered somewhat more difficult of application, it becomes by that very fact more useful.

After all, honourable gentlemen, whenever an alien applies for permission to enter this country he must provide himself with a passport, which must contain his photograph, and it should not be a hardship for foreigners or aliens in this country to pay the very small sum of money required to provide the photograph exacted by the law.

Now, as to the penalty for a false statement. The statement referred to in the section in question is a sworn statement, and if it is false it involves perjury. If I understand him rightly, my honourable friend (Hon. Mr. Donnelly) would like to reduce that penalty, as it appears to him to be too severe. Suppose we reduced it, say, to one year, what would happen? We should create two distinct classes of people in the eyes of the law. According to the Criminal Code every Canadian who makes a false statement in a sworn declaration is liable, under a charge of perjury, to seven years' imprisonment; but under this Bill, if modified as suggested by my honourable colleague, foreigners would be liable for a false statement made under oath to only one year of imprisonment instead of seven years in the penitentiary. Does that appear to be just, or even reasonable? The Committee considered this matter, and decided that for any violation of the law a foreigner should be punished in the same manner as a Canadian.

Then, as honourable members can see, the penalty for all other offences is limited to a $100 fine or three months' imprisonment.

Hon. Mr. MURDOCK: I would ask my honourable friend another question. Let us suppose that 15 Germans, 10 Swedes and 14 Italians were to land, coming, in bond or otherwise, by rail to Toronto, Montreal, or elsewhere. Under this proposed measure, how would you handle those?

Hon. Mr. BEAUBIEN: I am perfectly willing to admit that the law is not water-tight. It is not intended to be water-tight.

Hon. Mr. MURDOCK: May I make a suggestion, then, with a view of being helpful? I know something about the quota regulations in effect in the United States. I think you will find that regulations as brought down from time to time in the United States never refer to Canada as Canada, or Canadians as Canadians. In order to give effect to your purpose, and to cover the point I raised a moment ago, I think you should have section 3 read this way:

3. Every alien of more than sixteen years of age, from other than North American countries, upon entering Canada with the intention of residing in Canada, shall before arrival complete on oath . . . .

That covers the matter, whether the alien comes in on a vessel, or train, or stone-boat, and wherever he comes from. A Mexican or an American is not referred to as an alien under the provisions of this Bill; and already the British subjects are exempted.

Hon. Mr. BEAUBIEN: I thank the honourable gentleman for his suggestion, but I may point out to him at once that we were very careful not to indicate any country which would either be subject to or exempt from the application of the law. There is always something undesirable in a law that creates a preference clearly defined between nations; therefore those who drafted the Bill did not wish to state that it should not apply to such or such a country, thereby creating a preferred or privileged class of nations in contradistinction to all the others.

The second objection I wish to emphasize to my honourable friend—and it is a very serious one—is this, that when immigrants come by rail it is very difficult to find the time required for the registration, and for distribution of cards. When immigrants come by boat from across the ocean there are six, seven or eight days during which all those formalities can be complied with. It was pointed out by the Department of Immigration that the question of time was of great importance when immigrants entered the country, and that nothing must be done to stop or interfere with the flow as it comes in. Therefore I am afraid that if this suggestion of my honourable friend were adopted it would be rather difficult for the law to be applied to immigrants who come to this country by rail.

Now I have just one more remark to make in reference to the Bill. My honourable friend from South Bruce (Hon. Mr. Donnelly) has made what is the most dangerous accusation against the Bill, because it is one that is general. He says that this law is involved. It is simple to read, to understand and to apply. The two departments whom we consulted, who seem most interested in the subject and are most familiar with it, believe the Bill can be applied. After all, honourable gentlemen, it is not very difficult when the immigrants come across the ocean on a steamer to have them register. As a matter of fact they already have to register. Surely there would not be anything difficult about handing them their cards. Therefore it would be an easy matter to make the Bill applicable to people coming into the country. Aliens already in Canada who refuse to become members of the Canadian family, but wish to remain in the country, will have to make a statement under oath and obtain cards of identification from the municipality in which they live. That certainly will not work a hardship upon anyone, and it will not be so severe as the law concerning aliens in European countries. Eight days after his arrival in a European city where he intends to reside a stranger must secure a card of identification, which he must use as a passport. It requires five years for an alien to qualify for naturalization in this country, and he will not be compelled to take out a card until six months after that period has elapsed. Those aliens who already have been in the country five years will still have six months within which to exercise their option to become naturalized. It would seem that there would be no difficulty in putting the law into operation; so I think we may forget objections that have been made on that ground.

The important consideration is that the law is necessary. If my honourable friend had been in touch with the police of Montreal and had given the same study to the matter as I have, he would know what troubles the police have in keeping watch over a great number of aliens. If he knew all the facts, and especially what an amount of trouble and expense is caused by many of these aliens, I think he would be more sympathetic towards this Bill.

He would be agreeable, I think, to placing this new weapon in the hands of those entrusted with the maintenance of law and order in the land.

I wonder whether our people realize how much money is lost because of strikes that are fomented here and there throughout Canada by aliens. Because of these activities, a great number of police and detectives have to be employed and a wide variety of protective measures taken. And many of the people who cause this trouble are paid by foreign money. I feel sure that if my honourable friend were acquainted with the true situation he would see the necessity of keeping track of such trouble-makers and, if possible, getting rid of them when they are convicted of wrongdoing.

Hon. Mr. ROBINSON: Carried.

Hon. J. LEWIS: Honourable senators, I am perhaps a little late, but I shall not take much time. According to section 4 of the Bill, the persons who are required to carry these cards are those who fail to apply for a certificate of naturalization within six months following their qualification, or who, having applied for such certificate, are denied the same by the proper authorities. But there is no provision for determining whether a person has been justly or unjustly denied a certificate. How is it to be known whether the authority who refuses to issue a certificate acts properly or not? Two or three years ago we had before the Senate a Bill designed to make it easier for aliens to become naturalized, but that Bill was rejected here. If we pass this Bill, the sum of our action will be that we have made it as difficult as possible for an alien to obtain naturalization, and we punish him for not obtaining it.

Hon. Mr. BEAUBIEN: I think that the qualifications that must be possessed by an applicant for naturalization are, among others, a good reputation, supported by a favourable report of character, the ability to speak either French or English, and residence in this country for five years, or at least in some other British Dominion and Canada for five years. Of course, it is possible that the application of an alien for a naturalization certificate might be unjustly rejected. What means have we of ascertaining whether that happens so frequently that it should be guarded against in this Bill? We must act on the assumption that the laws of Canada are properly administered. We know that they are administered by humans, and that humans are not perfect. I submit to my honourable friend that the reverse of what he suggests happens very often. Within the last month, I understand, a report was made by a special commissioner that some 129 naturalization certificates were improperly issued.

Hon. Mr. LEWIS: Does that not prove that the issuers are not infallible? And if they are fallible in one direction they may be so in another.

Hon. Mr. BEAUBIEN: I readily admit that they are not infallible. But my honourable friend's objection was that certificates might be improperly refused.

Hon. Mr. HARDY: Carried.

Hon. Mr. TANNER: Honourable senators, I regard this as a very important matter. The Bill, as amended in committee, probably contains some merit, but my impression is that the procedure which is now recommended is not sound. The Bill was introduced here some time ago and referred to committee, and as a result of the committee's amendment we now have what is virtually a new Bill. It is true it appears in the Minutes, but so far as I know it has not been printed, as amended by the committee, and distributed. My honourable friend beside me (Hon. Mr. Donnelly) has criticised certain clauses in this measure, and so have honourable members on the other side of the House. Instead of our going into Committee of the Whole to take up the clauses separately, we are asked to vote for or against this new measure as a whole. We have had no opportunity of amending the present sections, and I say this is not good practice.

Right Hon. Mr. GRAHAM: The point is well taken.

Hon. Mr. TANNER: In the second place there is no hope that the Bill will be passed by Parliament during this session. As my honourable friend beside me suggested, before we send a Bill of this kind to the House of Commons we should see that it is as nearly perfect as we can make it. Now, in order to do that we shall have to take some time in considering the matter. As I say, there is no hope of getting the Bill through Parliament this year. I therefore move that the debate be adjourned until Tuesday next.

Hon. Mr. BEAUBIEN: Honourable senators, I have no objection at all to my honourable friend's motion. I fully appreciate that a Bill of this kind, which introduces a new method of dealing with aliens, should be studied with a great deal of care. I should be grateful if honourable members would make it a point to study the Bill and let us have the benefit

of their suggestions when the matter comes before us again. I am quite willing that the debate should be adjourned until next Tuesday.

Hon. Mr. BEIQUE: Honourable senators, I do not object to the motion. I may say that a great deal of attention has been given to this Bill by the committee, and especially by the honourable gentleman from Montarville (Hon. Mr. Beaubien). The Bill deals with a very delicate matter, and I had hoped that the Senate would adopt the Bill at a future sitting, with whatever amendments, if any, were found necessary.

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

RELATIONS OF SENATOR WITH DOMINION GOVERNMENT

MEMBERSHIP OF SPECIAL COMMITTEE—NOTICE OF AMENDMENT TO RULES

The Senate resumed from Thursday, July 9, the adjourned debate on the motion of Hon. Mr. Béique:

That the following senators be named to serve on the Special Committee appointed to inquire into the advisability of a rule being adopted by the Senate defining the nature and extent of the relations of a member of the Senate with the Dominion Government:
Honourable Senators Béique, Copp, Dandurand, Graham, Hardy, King, Lewis.

Hon. Mr. BEIQUE: Honourable senators, if reference is made to page 362 of the Debates of this House it will be found that I made the following statement on the 8th of July:

My mind is entirely open as to the advisability of enacting a rule under which any member of the Senate would in the future be debarred from the right of receiving any remuneration from a client for services rendered to him in dealing with the Government or any of its departments. A rule of that kind would tend to elevate the standing of the Senate and of its members; but such a rule would constitute an entirely new departure.

My intention, as expressed at the time, was that my motion should not be interpreted or considered as a reflection upon the honourable member whose conduct was the subject-matter of discussion. I have since drafted a rule which I should like to suggest to the House, and I will give notice of it now. It is in the following form:

No senator shall be entitled, directly or indirectly, personally, or as a member of a firm, or as a shareholder of a personal or family corporation, to any benefit or profits resulting from relations, either by himself or by such corporation with the Government or any of its departments.

The words "shareholder of a personal or family corporation" should be explained. If honourable members will refer to the Revised Statutes of 1927, Chapter 97, they will find that the two kinds of corporations are there defined. Section 2, subsection (d) reads:

"family corporation" means a corporation (other than a "personal corporation") seventy-five per centum of the stock of which is owned by the members of one family, one or more of which members take an active part in the business operations of the corporation, or a corporation (other than a "personal corporation") eighty per centum of the stock of which is owned by persons actively employed in the business of the corporation or by such persons and their families.

Subsection (i) of the same section defines "personal corporation" as follows:

"personal corporation" means a corporation or joint stock company (no matter when or where created) controlled directly or indirectly by one person, who resides in Canada, or by one such person and his wife or any member of his family, or by any combination of them, or by any other person or corporation on his or their behalf, whether through holding a majority of the stock of such corporation, or in any other manner whatsoever, the gross revenue of which is to the extent of one-quarter or more derived from one or more of the following sources, namely:
(i) From the ownership of or the trading or dealing in bonds, stocks or shares, debentures, mortgages, hypothecs, bills, notes or other similar property,
(ii) From the lending of money with or without security, or by way of rent, annuity, royalty, interest or dividend, or
(iii) From or by virtue of any right, title or interest in or to any estate or trust.

Two days' notice has to be given of a proposed new rule of the Senate; so honourable members will have an opportunity of considering my suggestion before we take up the matter again.

Hon. Mr. McMEANS: Would the honourable gentleman tell us what is the penalty in case of violation of the rule?

Hon. Mr. BEIQUE: I think the penalty will be easily defined if a member of this House violates its rule.

Hon. Mr. GILLIS: Expulsion.

Hon. Mr. McMEANS: I would point out that this body has no control over the senators. They are appointed for life. Even if they violate the Independence of Parliament Act, they are only subject to a fine, and then not until it is sued for in the usual way. I do not think this House has any right to expel a member for any violation of the rules, because he is appointed by the Government for life. I do not see the use of making rules unless there is a penalty for their violation that can be enforced. I believe the Senate

can make rules only in regard to procedure; not to regulate the conduct of any member of the House.

Hon. Mr. DANDURAND: Oh, yes.

Hon. Mr. McMEANS: I doubt it. Where is the rule?

Hon. Mr. BEIQUE: This is merely a notice of a proposed rule, which can be modified as the Senate may deem advisable when it considers it on its merits. I am merely giving notice of the rule that I intend to move.

Hon. Mr. GILLIS: The honourable gentleman says the rule does not provide a penalty. Why not amend the statute?

Hon. Mr. GRIESBACH: Does the honourable gentleman intend to move this rule in the House, or is this what he proposes to bring before his committee?

Hon. Mr. BEIQUE: I intend to move the rule in this House.

Hon. Mr. GRIESBACH: What about the committee?

Hon. Mr. BEIQUE: I am giving notice of this rule, and will ask that the Order standing in my name be discharged for to-day.

Hon. Mr. WILLOUGHBY: You had better move the adjournment of the debate.

Hon. Mr. BEIQUE: I move for the postponement of the Order.

Hon. Mr. GILLIS: Just a moment. The idea is to postpone this matter for two days, not to discharge the Order entirely?

Hon. Mr. COPP: To be placed on the Order Paper for some day next week.

On motion of Hon. Mr. Béique, the Order was discharged, to be placed on the Order Paper for Tuesday next.

PRIVATE BILL

SECOND READING

Hon. Mr. HARDY moved the second reading of Bill 30, an Act respecting the St. Lawrence River Bridge Company.

Hon. Mr. BEAUBIEN: Explain.

Hon. Mr. HARDY: I shall move that this Bill be referred to the Committee on Railways, Telegraphs and Harbours.

The motion for the second reading was agreed to.

Hon. Mr. HARDY: With leave of the Senate, I move that Rule 119 be suspended in so far as it relates to this Bill. This will eliminate the necessity of posting for seven days.

The motion was agreed to.

Hon. Mr. McMEANS.

CANADA SHIPPING BILL

SECOND READING

Hon. Mr. TANNER moved the second reading of Bill 97, an Act to amend the Canada Shipping Act.

He said: Honourable members, if any explanation of this Bill is desired, I shall be very glad to give it.

Hon. Mr. WILLOUGHBY: I would ask the honourable gentleman to defer the reading of this Bill. We have to vote supply.

Hon. Mr. TANNER: I have a full explanation of the Bill, but I was going to ask, if it is satisfactory to the House, that it be set down for Committee of the Whole tomorrow, when I can give my explanation.

Hon. Mr. WILLOUGHBY: All right.

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

BEAUHARNOIS INQUIRY COMMITTEE

QUESTION OF PRIVILEGE

Hon. Mr. RAYMOND: Honourable members, I rise to a question of privilege. An evening newspaper says that it is expected that Senator Donat Raymond of Montreal, one of the other senators requested to come before the committee, will likewise decline to accept the invitation.

Hon. Mr. DANDURAND: What committee?

Hon. Mr. RAYMOND: The Beauharnois Committee. I desire to say that I have not been requested, summoned or invited to appear before that committee.

APPROPRIATION BILL NO. 4

FIRST READING

Bill 124, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1932.—Hon. Mr. Willoughby.

SECOND READING

Hon. Mr. WILLOUGHBY: I move the second reading of the Bill.

Hon. Mr. DANDURAND: Is this one-twelfth?

Hon. Mr. WILLOUGHBY: Yes.

Hon. Mr. DANDURAND: For the present month, July?

Hon. Mr. WILLOUGHBY: Yes.

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

THIRD READING

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

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

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Deputy Assistant Secretary to the Governor General, acquainting him that the Right Honourable Lyman P. Duff, acting as Deputy of the Governor General, would proceed to the Senate Chamber this day at 5.45 p.m. for the purpose of giving the Royal Assent to the Interim Supply Bill.

The Senate adjourned during pleasure.

The Right Honourable Lyman P. Duff, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right 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, 1932.

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

The sitting of the Senate was resumed.

BUSINESS OF THE SENATE

Hon. Mr. DANDURAND: I should like to ask the honourable leader of the House what he expects to submit to this Chamber to-morrow. There is nothing on the Order Paper, and I am not sure that we have put anything over.

Hon. Mr. WILLOUGHBY: I do not know if anything has come from the other House to-day. There is not very much for to-morrow.

Hon. Mr. McMEANS: The Tariff Board Bill.

Hon. Mr. WILLOUGHBY: Of course, there is the third reading of the Tariff Board Bill.

Hon. Mr. DANDURAND: But my honourable friend does not think it will be given Royal Assent until the end of the session?

Hon. Mr. WILLOUGHBY: I was thinking that we ought to meet to-morrow, in any event. One thing we shall have to decide is the length of the next adjournment.

Hon. Mr. TESSIER: Tuesday.

Hon. Mr. WILLOUGHBY: It certainly should be until Monday night, in my opinion.

Hon. Mr. McMEANS: Monday.

Hon. Mr. WILLOUGHBY: If we meet to-morrow there will be nothing for us to do on Friday, and we shall have to adjourn until some time next week.

Hon. Mr. TESSIER: Tuesday.

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

THE SENATE

Thursday, July 16, 1931.

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

Prayers and routine proceedings.

PRIVATE BILL

RETURN OF PARLIAMENTARY FEE

Hon. Mr. TANNER: With the leave of the Senate I would move that the fee paid on Bill L1, an Act to incorporate the Service Loan and Finance Corporation, be refunded to the Ottawa agents for the petitioners, less printing and translation costs.

The explanation is that the Bill has been defeated in the other House.

The motion was agreed to.

GRAIN COMMISSION

INQUIRY

Hon. Mr. SHARPE inquired of the Government:

1. What are the names of the members of the Grain Commission?
2. What were their salaries and expenses in 1930?
3. What rent are they paying for their offices in Winnipeg?
4. How many clerks and stenographers have they?
5. What are their names and salaries?
6. How much was spent on new furniture when they took over the offices?
7. How many assistants outside of Winnipeg has the Grain Commission?
8. What were their salaries and expenses for 1930?
9. How many complaints did the Grain Commission investigate in each of the three Prairie Provinces during 1930?

Hon. Mr. WILLOUGHBY: The answer to the inquiry of the honourable gentleman is as follows:

1.
E. B. Ramsay, Chief Commissioner.
D. A. MacGibbon, Commissioner.
C. M. Hamilton, Commissioner.

2.	Salary	Travelling Expenses
E. B. Ramsay.	$12,000	$2,155 58
D. A. MacGibbon. . .	10,000	1,107 66
C. M. Hamilton. . . .	10,000	1,505 60

3. $337 per month.

4. Three secretaries, three clerks, one stenographer.

5.	Per Annum
J. Rayner, Secretary to Board.. ..	$3,600
W. Johnston (Miss), Secretary to Chief Commissioner..	2,400
M. Trapp (Miss), Secretary to Executive..	2,100
V. C. LeFeuvre, Principal Clerk..	2,400
R. D. Taylor, Clerk, Grade 3.. ..	1,380
P. Bell (Miss), Stenographer, Grade 2..	1,080
G. Guyot, Clerk, Grade 1..	720

6. $2,500 approximately.

7. Three: one Assistant Commissioner each at Fort William, Regina and Calgary.

8.	Salary	Travelling Expenses
F. J. Rathbone, Fort William.	$7,500	$1,424 75
R. S. Dundas, Regina.	7,500	513 35
W. H. Blatchford, Calgary..	7,500	350 95

9.
Manitoba, 14 complaints.
Saskatchewan, 80 complaints.
Alberta, 75 complaints.

TARIFF BOARD BILL

EXPLANATION OF REMARKS

Before the Orders of the Day:

Hon. RODOLPHE LEMIEUX: Honourable senators, I rise to make a personal explanation. When my good friend the senator from Montarville (Hon. Mr. Beaubien) was speaking on the Tariff Board yesterday, he made a statement which I misunderstood. I caught the first part of what he said, but, because of an honourable colleague sitting next to me, I did not catch the latter part. My honourable friend from Montarville did not speak against the personnel of the Railway Board. He said:

> May I ask my honourable friends opposite, especially my honourable friend the leader on the left (Hon. Mr. Dandurand)—who, no doubt, in days gone by had to advise his Government in the selection of proper representatives for certain boards, particularly the Railway Board—to revert to the past?

I understood that he was criticizing the Railway Boards of the past. Unfortunately, I failed to follow him to the conclusion of his sentence. I do not know whether my statement can be expunged from the Debates, but I apologize to the honourable gentleman for having misinterpreted his remarks.

Hon. Mr. WILLOUGHBY.

Hon. Mr. BEAUBIEN: I thank the honourable gentleman for his generous retraction.

Hon. Mr. BUREAU: Honourable senators, the honourable gentleman from Rougemont (Hon. Mr. Lemieux) says that because of an honourable senator sitting near him he did not understand what was said. As I am the the honourable gentleman's deskmate, I should like further information as to that.

Hon. Mr. LEMIEUX: I beg to say to my genial friend from La Salle that it was another gentleman who was sitting next to me at the time. He is not in the House at present.

THE BEAUHARNOIS PROJECT

QUESTION OF PRIVILEGE

Before the Orders of the Day:

Hon. W. L. McDOUGALD: Honourable members of the Senate, I rise to a question of privilege. As honourable members know, a committee of the House of Commons is at the present time investigating the affairs of the Beauharnois Light, Heat and Power Company. In the discussion that led up to that investigation my name had been mentioned, and on a former occasion I rose in this Chamber to a question of privilege and explained my position in the matter. I think it is only right and fair that I should give to honourable members of the Senate the official statement which has been presented, through my attorney, to the committee of the House of Commons, setting forth my reasons for not appearing before that committee. I should like the privilege of reading the statement—

Hon. Mr. WILLOUGHBY: Honourable senators, a point of order. The honourable gentleman is not in order, because we are at the Orders of the Day. But I am sure the Senate will be only too delighted to give the honourable gentleman an opportunity to make his statement. I am heartily agreeable to giving him that opportunity.

Hon. Mr. McDOUGALD: I thank you very much. This is the statement which my attorney gave to the committee of the House of Commons:

> Senator McDougald upon my advice has decided not to attend the present committee of inquiry for the following reasons:
>
> 1. No proof has been made of any of the matters that he has been charged with and therefore there is nothing before this committee that he can be called upon to controvert.
>
> 2. In Mr. Gardiner's speech of May 19, 1931, delivered in the House of Commons, he stated "that the people of Canada to-day are asking

if that statement made by Senator McDougald is true. If it is not true, then Senator McDougald deliberately deceived the Senate and the people of Canada." The statement referred to by Mr. Gardiner as having been made was as follows: "I want to say here, and say it with emphasis, that I do not own a dollar's worth of stock in this enterprise, and have no interest in or association with that company in any way, shape or form." The company referred to was the Beauharnois Light, Heat & Power Company.

3. An attempt has been made to prove that this statement was untrue by adducing evidence to the effect that Senator McDougald at the time of his making that statement was interested in the Sterling Company, a company incorporated to study the possibilities of power development in the Soulanges section of the St. Lawrence River and develop such power. Senator McDougald's statement was to the effect that he was not interested in the Beauharnois Light, Heat & Power Company, which is an entirely different matter from the development of power in the Soulanges section of the St. Lawrence River.

4. Further, after the application had been made to the Department for the diversion of waters in 1924, the matter was left dormant, and when Senator McDougald was asked by Mr. Henry to proceed further with the matter he was told by Senator McDougald that in view of the latter's appointment to the National Advisory Committee he would not pursue his interest further at this time, and it was not until the late summer of 1928 that any deal was made by the Beauharnois Company for the purchase of the Sterling Company's assets, under the terms of which Senator McDougald acquired interests in the Beauharnois Company. This, many months after his declaration in the Senate, April 19, 1928.

5. As regards Senator McDougald's connection with the Beauharnois Company as a result of his acquisition, in the name of J. P. Ebbs, of the interests of the late W. B. Sifton, this was not made until after his speech in the Senate, April 19, 1928, and equally cannot militate against the truth of his statement.

I find the statement difficult to read, and with the permission of the Senate I shall place the remainder of it on Hansard.

6. Evidence has been made in connection with the sale of the assets of the Sterling Company with the apparent purpose of showing that Senator McDougald made undue profits in the matter, to the detriment of the Beauharnois Company. Mr. Sweezey, on behalf of the Beauharnois Company, was the buyer and agreed to the price suggested by Mr. Henry for reasons which he considered good and sufficient; and as a matter of fact Mr. Sweezey showed good judgment in purchasing such assets, as he thereby acquired for his company: (1) Mr. Henry's technical engineering knowledge and experience; (2) Senator McDougald's assistance as a person able to furnish capital when required, and (3) particularly the removal of the obstacle that stood in the path of the company by reason of the prior application of the Sterling Company for the diversion of waters, etc., which prior rights, had same been acquired by other inimical interests, might have prevented his company from proceeding in the carrying out of his plans.

7. Anything in connection with the above does not reflect on Senator McDougald, and for this reason I have advised him that there is nothing he is called upon to controvert. Senator McDougald invested large sums of money in the enterprise, and is one of the few who still hold all the shares they acquired in the company.

8. Senator McDougald's second reason for declining to appear before this committee is that one of his judges is both his accuser and judge, which is contrary to the elementary principles of the administration of justice; and he is satisfied that public opinion will support his refusal to appear before his accuser who is also sitting in judgment in the matter.

9. Senator McDougald's third reason for declining to appear before the committee is that neither this committee nor the House of Commons by which it was constituted has any power or authority to investigate the conduct of a member of the Senate of Canada.

10. Senator McDougald authorizes me to make the following statement:

That at the end of May, 1928, W. B. Sifton came to Senator McDougald and urged him to purchase his interest in the Beauharnois Syndicate held in the name of L. Clare Moyer, giving as his reason ill-health and the fear that he could not carry on his activities in the Beauharnois Company much longer. He asked Senator McDougald to buy out his whole interests in the Syndicate held by Moyer, offering the same at the price he had paid for them. The Senator accepted the offer and refunded to Mr. Sifton the amount he had invested in the Syndicate.

Now, honourable members of the Senate, in concluding that statement my attorney said there was another place where I could be examined if my colleagues saw fit. I earnestly ask that a special committee of the Senate be appointed at once to investigate my interest in, and my connection with, the Beauharnois Power Company, and I assure the Senate that I will facilitate in every way the bringing before the committee of any material it may require, to substantiate anything I have said; also that I will put before it the facts concerning my interest, as to how and when it was acquired, and as to my connection with that company from its inception to the present time. I may say that I am, I think, one of the few who still have all their original shares in the venture. I have never sold a share; on the contrary, I purchased more shares after the venture got under way, and still have them.

I ask that honourable members of the Senate give my petition consideration, and I assure them that it will take but a very short time for me to explain in detail my position with regard to everything I have had to do with the project. There is nothing for me to hide, nothing that I am ashamed of. I have no apologies to make, and I should welcome an investigation by honourable members of the Senate.

The Hon. the SPEAKER: As the Rules require two days' notice of a motion for the appointment of a special committee, it would be advisable for the honourable senator to give notice of motion.

TARIFF BOARD BILL

THIRD READING

Hon. Mr. WILLOUGHBY moved the third reading of Bill 47, an Act to provide for the appointment of a Tariff Board.

Hon. C. W. ROBINSON: Honourable senators, I should like to move an amendment to the motion for third reading of this Bill. I want to say that I am taking this action individually. My amendment is not a partisan amendment, or anything of that kind at all. I have not consulted my leader. I am taking my stand as an individual member of the Senate, and I think that is perhaps a good thing for any senator to do. It may be that we who come to this Chamber cannot altogether put aside the feelings of party allegiance which we have had in the past, but I think it is not a bad thing to get rid of those feelings as far as possible and try to deal in an independent and non-partisan manner with any matter that comes before us. I am going to move that this Bill be not now read a third time, but that it be read a third time this day six months.

I listened very carefully, a few nights ago, to the graphic description by the honourable Minister of Labour (Hon. Mr. Robertson) of his tour throughout Western Canada and of the existing conditions in this country. It was a very arresting statement and one that gave us evidence of the fact, with which perhaps we were to a certain extent already familiar, that the financial situation, from the standpoint of the Government and of municipalities all over Canada, is not as good to-day as it was some time ago. I was not in the House when my honourable friend from Manitou (Hon. Mr. Sharpe) spoke on this Bill. Having read his remarks, I think he struck the right note. I submit, honourable senators, that if ever there was a time in the history of Canada when we should exercise economy and carefulness in the expenditure of money, this is such a time. From this viewpoint, the present is probably a more important period than any other since Confederation.

It seems to me altogether unnecessary to appoint a Tariff Board at the present time. A Tariff Board may be a good thing, but why the hurry? As the previous Board was appointed by Order in Council, it was easily disposed of, and we are now being saved the large expenditure that otherwise we might be making.

While a Tariff Board appointed under this legislation would not be a judicial body, it would have very wide powers of investigation. As I understand the Bill, the intention is that the Board should investigate manufacturing costs, not only in Canada, but in every country in the world. That is a pretty large order. I do not know whether that indicates an intention to have agencies in Paris, London, Brussels, Berlin, Vienna, Japan, China, Australia, and every other place of importance under the sun, but I suppose it would be necessary to have some such organization if the terms of this Bill were put into full effect. That would mean considerable expense. The cost at the outset might not be very great, but the Board, in common with all such establishments, would grow. The number of its employees would increase, and in time it would become a huge machine spending thousands and probably hundreds of thousands of dollars of money belonging to the people of Canada. And I submit that we can ill afford to make expenditures in that way at the present time.

As has previously been stated in this Chamber, the present Government has already grappled with the tariff question. On two separate occasions the Government, in its wisdom, has increased the tariff. It seems to be fairly cognizant of all the important tariff matters, and I cannot understand why it wants to saddle the country at the present time with a fact-finding commission, at tremendous cost to the people. The only reason I can conceive of for such a thing is that somebody may want a job, and want it in a hurry.

Among the very wide powers of this proposed Tariff Commission would be the power to examine witnesses under oath. Just how far that would extend we do not know, but it certainly would be going pretty far to give a commission, acting directly under a Government, the authority to pry, at its discretion, into the private affairs of people in any section of the Dominion. Such authority would perhaps not be so much out of the way if it were given to a purely judicial body, but this Board would be nothing of the kind; it would be an agency for the Government, acting directly under instructions of the Government, and that means it would necessarily be a partisan commission. I do not see how it could possibly be anything else. I should not like to have a partisan commission come

down to the Province of New Brunswick and investigate the private affairs of the manufacturers down there.

I am moving the amendment because it seems to me that the Senate should place itself on record in a case of this kind. Some people have the opinion that it is not within the duties of the Senate to move for the rejection of any Bill that the Government has introduced, and there is a hesitancy on the part of many members of the Senate to interfere with any action of the Government. So far as I am concerned, I have no desire to interfere with the Government's functions. We know that the present administration was elected by a popular majority in favour of a high tariff. For my part—and I think this is true of every member of the Senate—I am quite willing that the Government should have every opportunity to carry out its policies and to test the effect of them by actual operation throughout the country. Time alone will tell whether those policies are good or bad. Individually we may be in favour of free trade, or moderate protection, or a high tariff, and we may make arguments in support of our belief; but these arguments will change no one's opinion, because the more we argue the more strongly will members on each side of the House hold to their opinions.

As I have already said, I do not think it is necessary to inflict an expensive Tariff Board upon the country at the present time, when our attention has been called to the necessity of providing relief for the unemployed and financial assistance to tide over the present situation, particularly in Western Canada, where the crops are a complete failure. The Government of Canada will have its hands full for the next few months without bothering about a Tariff Board. A Bill of this kind can just as well be introduced at another session as now, if it should be found necessary.

Some analogy was drawn yesterday between the Grain Commission and the proposed Tariff Board. The appointment of the Grain Commission may have been a great mistake. I am not saying it was, but it may have been. In any event, the conditions existing when that commission was appointed were quite different from those facing us to-day. If it should be true that the previous Government made a mistake in appointing the Grain Commission, is that any argument for making another mistake by appointing a Tariff Board? I heard the honourable gentleman from Regina (Hon. Mr. Laird) say yesterday that he was almost persuaded to support an amendment to the Bill. In view of the illogical reasons which he then gave for supporting the Bill, I thought that perhaps he might be fully persuaded to change his mind to-day.

Hon. Mr. LAIRD: Wait and see.

Hon. R. FORKE: If honourable members will allow me, I should like to make a brief statement. Yesterday I forgot to mention that until last year the Grain Commission was paid entirely by profits made from farmers' grain. It was not costing the country anything.

Hon. Mr. SHARPE: Why did it not continue that way? It is wasting a lot of money to-day; that is dead sure.

Hon. Mr. FORKE: That may be, but it did not cost the country anything up to last year.

Hon. Mr. ROBINSON: I do not wish to elaborate my proposition further. I rose in my place, as a private member, simply to put myself on record. If some honourable member will second my amendment, I will move that this Bill be read a third time this day six months. I have not even asked for a seconder.

Hon. Mr. LEWIS: I second the motion.

Hon. Mr. ROBINSON: It is seconded by the Hon. Mr. Lewis.

The amendment of Hon. Mr. Robinson was negatived on the following division:

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Hon. Mr. COPP: May I be permitted to say that I was paired with the honourable gentleman from Westmorland (Hon. Mr. Black). Had I voted, I should have voted for the amendment.

Hon. Mr. LEMIEUX: I was paired with the honourable member from Grandville (Hon. Mr. Chapais). Had I voted, I should have voted in favour of the amendment.

Hon. Mr. ROBINSON: I was paired with the honourable gentleman from Colchester (Hon. Mr. Stanfield). Had I voted, I should have voted for the amendment.

Hon. Mr. DONNELLY: I was paired with the honourable member from Victoria (Hon. Mr. Tobin). Had I voted, I should have voted against the amendment.

Hon. Mr. FARRELL: I was paired with the honourable member for Antigonish (Hon. Mr. Girroir). Had I voted, I should have voted for the amendment.

Right Hon. Mr. GRAHAM: May I explain that the leader on this side of the House has gone away to spend the week-end somewhere. He was compelled to leave the Chamber at 3.30 in order to make connections. I did not ask him how he would vote if he were here.

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

CANADA SHIPPING BILL

CONSIDERED IN COMMITTEE—PROGRESS REPORTED

On motion of Hon. Mr. Tanner, the Senate went into Committee on Bill 97, an Act to amend the Canada Shipping Act.

Hon. Mr. Webster in the Chair.

Hon. Mr. TANNER: I understand that the honourable leader of the other side (Hon. Mr. Dandurand) wants this Order to stand over until Tuesday.

Hon. Mr. WILLOUGHBY: He did not say anything about it to me.

Hon. Mr. TANNER: May I explain, Mr. Chairman, that the leader on the other side of the House asked me to let this Order stand over until Tuesday, and I agreed to do so.

Right Hon. Mr. GRAHAM: Whoever sits here is the leader.

Hon. Mr. TANNER: I am prepared to go on if my right honourable friend opposite so desires.

Right Hon. Mr. GRAHAM: If there was an arrangement with the honourable the leader on this side to leave this until Tuesday, my honourable friend opposite had better postpone this stage of the Bill till then.

Hon. Mr. TANNER: That was his request to me, and I told him that I was perfectly willing to accede to it. I move that the Committee rise, report progress, and ask leave to sit again.

The motion was agreed to, and progress was reported.

THE BEAUHARNOIS PROJECT

NOTICE OF MOTION

On the motion to adjourn:

Hon. G. D. ROBERTSON: Honourable members, although the Order Paper has been cleared, may I say a word in reference to the remarks of the honourable gentleman who, at the opening of the session this afternoon, presented a question of personal privilege and suggested the appointment of a committee to investigate certain matters touching a member of this Chamber? Without having had an opportunity to give the question much thought, I believe that under a rule of the Senate a motion along the lines of the one suggested must be preceded by two days' notice, and the rule has not been complied with.

It may be said also that the Senate, at the request of the House of Commons, gave leave to the honourable gentleman (Hon. Mr. McDougald) and two others to appear and give evidence before a committee of the Commons that for some days, if not weeks, has been inquiring into certain matters. That committee is still sitting; I believe it is in session at this moment. Despite the consent of the Senate, the honourable member (Hon. Mr. McDougald) has seen fit to decline, through his counsel, the invitation to appear before that committee.

I think it is fair to suggest that the rights of any member of this Senate, no matter which side of the House he sits on, are in no way impaired by the fact that temporarily he may be under a cloud. It was his option to accept or to reject the invitation to attend the committee of the other House. He chose not to accept it, and now asks that a committee of this House be appointed to inquire into the same matters in regard to which he has declined to give evidence before the committee of the Commons.

I submit that if a committee of the Senate were to be established, it should be done upon the motion of the honourable member who made the statement, because his rights in this House have as yet been in no way

impaired. Therefore it would be in order—and I rose particularly to mention this—for him to give notice of the motion that he desires this House to consider. When that notice is given, and the motion comes regularly before the Senate, it can be properly dealt with. If in speaking as a layman I have displayed a lack of comprehension of the situation, any legal gentleman who desires to correct my statement is at liberty to do so. Speaking as one who has had a few years' experience in this Chamber and has perhaps a reasonable understanding of our rules, I believe that if the honourable member who spoke on a question of personal privilege desires the establishment of a committee of the Senate, he should himself give notice of a motion, which could then be dealt with under our rules.

Hon. Mr. McMEANS: Do I understand my honourable friend to say that the honourable gentleman has to give notice of the motion and then select the committee himself?

Hon. Mr. ROBERTSON: I did not say anything about selecting the committee. The first question to be decided is: Should a committee be established for the purpose indicated? If it were decided to establish such a committee, its personnel would be quite another matter.

Right Hon. GEORGE P. GRAHAM: Honourable members, it does not strike me quite that way. If an honourable member of the Senate wants an opportunity to give evidence before his colleagues with respect to any matter which, justly or unjustly, may be reflecting upon him, he has the right to ask this House to appoint a committee; but the member himself should not give notice of motion for the appointment of a committee, nor should he move the motion. The honourable gentleman from Wellington (Hon. Mr. McDougald) has asked the House to give him an opportunity to appear before a committee, and the question now is whether the House will or will not do so. The honourable leader of the Government can, of course, if he so desires, give notice of motion.

Hon. Mr. GILLIS: I fully agree with the right honourable gentleman. I think it is very much out of place for the senator who has made this explanation to give notice of motion for the appointment of a select committee. Not only the leader of the Government, but any member of this Chamber, other than the one concerned, has the privilege of giving notice of motion.

Hon. Mr. ROBERTSON: I am quite in accord with that suggestion.

Hon. A. C. HARDY: For the purpose of expediting matters, I give notice of the following motion:

That a special committee of members of the Senate be appointed to inquire into and report upon the matters mentioned in the statement of Hon. W. L. McDougald at the sitting of the Senate on the 16th day of July, 1931, in regard to his connection with the Beauharnois Power Company.

I have just drawn this up hurriedly.

Right Hon. Mr. GRAHAM: I understand that my honourable friend is giving notice that he will move that motion on Tuesday next.

Hon. Mr. HARDY: I am giving notice that on Tuesday next I shall move that motion.

Hon. Mr. McMEANS: That straightens it out.

Right Hon. Mr. GRAHAM: The kink is all gone.

The Senate adjourned until Tuesday, July 21, at 8 p.m.

THE SENATE

Tuesday, July 21, 1931.

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

Prayers and routine proceedings.

VIMY REALTY COMPANY, LIMITED

NOTICE OF MOTION

Hon. A. B. GILLIS: Honourable senators, I give notice that on Wednesday I shall move:

That an Order of the House do issue for a return of all correspondence, reports, etc., relating to leases between the Government and Vimy Realty Company, Limited, for properties in Ottawa.

I might say that in the inquiry of which I gave notice a few days ago I asked whether there was correspondence relating to the leases of properties from this company, and, if so, whether the Government could lay copies on the Table. It is necessary to have an Order of the Senate that correspondence be tabled.

RELATIONS OF SENATOR WITH DOMINION GOVERNMENT

PROPOSED RULE—MOTION NEGATIVED

Hon. F. L. BEIQUE moved:

That the following rule be enacted:

No senator shall be entitled, directly or indirectly, personally, or as a member of a firm, or as a shareholder of a personal or family corporation, to any benefit or profits resulting from relations, either by himself or by such corporation with the Government or any of its departments.

He said: Honourable senators, section 21 of chapter 147 of the Revised Statutes of Canada, 1927, dealing with the Independence of Parliament, provides:

No person, who is a member of the Senate, shall directly or indirectly, knowingly and wilfully be a party to or be concerned in any contract under which the public money of Canada is to be paid.

And section 22 reads:

No member of the Senate or of the House of Commons shall receive or agree to receive any compensation, directly or indirectly, for services rendered, or to be rendered, to any person, either by himself or another, in relation to any bill, proceeding, contract, claim, controversy, charge, accusation, arrest or other matter before the Senate or the House of Commons, or before a committee of either House, or in order to influence or to attempt to influence any member of either House.

Then subsection 2 provides for the penalty.

Section 21 was originally passed in 1878, on motion of Hon. Mr. Allan, and is to be found in the Debates of the Senate of that year, at page 899. It reads:

No person being a member of the Senate, shall directly or indirectly, knowingly and wilfully be a party to, or concerned in, any contract under which the public money of Canada is to be paid, and if any person, being a member of the Senate, shall knowingly and wilfully become a party to or concerned in any such contract, he shall thereby forfeit the sum of two hundred dollars for each and every day during which he continues to be such party or so concerned, and such sum may be recovered from him by any person who will sue for the same, by action of debt, bill, plaint or information, in any Court of competent civil jurisdiction in Canada; provided always this section shall not prevent any senator, who, at the passing of this Act, has any contract for which the public money of Canada is to be paid, from completing such contract, or render him liable to the penalties imposed by this section, nor shall it render any senator liable for such penalties, by reason of his being a shareholder in any incorporated company, having a contract or agreement with the Government of Canada, except companies undertaking contracts for the building of public works, and any company incorporated for the construction or working of any part of the Pacific Railway.

This appears to have been taken from a statute passed in 1782, 22 George III, Chapter 45, which read as follows:

For further securing the freedom and independence of Parliament, be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, that, from and after the end of this present session of Parliament, any person who shall, directly or indirectly, himself, or by any person whatsoever in trust for him, or for his use or benefit, or on his account, undertake, execute, hold, or enjoy, in the whole or in part, any contract, agreement, or commission, made or entered into with, under, or from the Commissioners of His Majesty's Treasury, or of the Navy or Victualling Office, or with the Master General or Board of Ordnance, or with any one or more of such Commissioners, or with any person or persons whatsoever, for or on account of the public service; or shall knowingly and willingly furnish or provide, in pursuance of any such agreement, contract, or commission, which he or they shall have made or entered into as aforesaid, any money to be remitted abroad, or any wares or merchandize to be used or employed in the service of the public, shall be incapable of being elected, or of sitting or voting as a member of the House of Commons, during the time that he shall execute, hold, or enjoy any such contract, agreement, or commission, or any part or share thereof, or any benefit or emolument arising from the same.

As to section 22, it was enacted by the Senate in 1906, and is to be found in the Debates of that year at page 1246. Hon. Mr. Scott moved the second reading of Bill 10, an Act to amend the Act respecting the Senate and House of Commons. Section 18a read as follows:

No member of the Senate or House of Commons shall receive or agree to receive any compensation, directly or indirectly, for services rendered, or to be rendered, to any person, either by himself or another, in relation to any bill, proceeding, contract, claim, controversy, charge, accusation, arrest, or other matter before the Senate or the House of Commons, or before a committee of either House, or in order to influence, or to attempt to influence any member of either House.

I think it is time that we should go further, and that the Senate should enact a rule which will prevent the raising of any question such as has been raised during the present session, and will serve as a guide for members of this honourable House. I therefore move the adoption of the rule.

Hon. SMEATON WHITE: Honourable members, it seems to me that the honourable gentleman who has made this motion has moved for a rule that does not apply to the case that we have under consideration, and it would rather look as though he had adopted the old, threadbare, mouldy idea of drawing a herring across the trail. He refers here to a family corporation. Personally I should like to have fuller information from him as to what he means by that. For in-

stance, does he include in family corporations the gentlemen owning newspapers, including, I suppose, the right honourable member for Eganville (Right Hon. Mr. Graham), the honourable member for Lethbridge (Hon. Mr. Buchanan), the honourable member for Sydney (Hon. Mr. McLennan), myself and others who carry on business with the Government in the usual way and have in no way that I can see violated the independence of Parliament? According to the rule now submitted, the honourable member for De Salaberry (Hon. Mr. Béique) seems to have made a special selection of certain people. I think he should go a little further and include the officers of banks and the members of law firms, so that he might be in company with us.

Hon. W. B. WILLOUGHBY: Honourable members, on a previous occasion, when the honourable member (Hon. Mr. Béique) brought this matter before the House, I intimated that we on this side of the House could not share in the forming of a committee. My honourable friend was not in favour of action being postponed for another year, because, he said, he might not be here then. It is my greatest wish that he may continue to adorn this House for many years to come. There are many reasons, however, why the present is not an appropriate time to press this motion. An unpleasant incident has occurred in this House, and we know what has transpired in another place. The Independence of Parliament Act is applicable to both Houses, and it is quite possible that, as a result of inquiries proceeding in another place, there may be concurrent action towards bringing in a rule—not necessarily in the language of the honourable gentleman's proposal—to deal with cases unprovided for under the present Act. I appreciate the honourable gentleman's motive. The action that I and others on this side of the House have taken indicates that we have strong views on this question, whether or not they are shared by our friends opposite. Parliament is heading for prorogation, and at this late stage of the session a matter of this kind would not receive the attention of the other House. The Senate is hardly in a frame of mind to discuss such a question dispassionately, and the other House certainly is not.

The honourable gentleman has a right to insist upon sending this question to a committee, but, as I indicated before, we on this side do not desire to participate. I want to emphasize again the fact that this is not because of any disrespect towards the honourable gentleman, whose industry and ability, as I have said on many occasions, are an ornament to this House. I hope, as I said a moment ago, that he will be with us for many sessions to come, and that in the future he will be able to frame a rule that will be acceptable to all.

Hon. L. McMEANS: Honourable members, I have the highest regard for the legal ability of the mover of this motion. At the time he gave notice of it I asked him what penalty he had provided for any infraction of the rule. I understand that the Independence of Parliament Act, which is intended to regulate the conduct of members of this House, provides a penalty of $200 for every day it is contravened; but action must be taken within a year. Now, if we were to pass this motion, and the proposed rule were to become a rule of the House, what would be the result should anybody contravene it? We have no power to punish him; we cannot impose any penalty, and cannot deprive him of his seat. This being the case, it seems to me that we should be passing something that would become simply a dead letter, and any honourable gentleman who violated the rule could ask: "What power have you to deal with this matter? The Independence of Parliament Act says so and so, and that is the only remedy you have." When the Independence of Parliament Act was passed, it must have been known that the Senate could not penalize a member who had violated a rule; so provision was made for a penalty of $200 a day, on condition that action should be taken within a year. I am in sympathy with the honourable gentleman who drew the motion, but when we legislate to declare that if a man does a certain thing it shall be a crime, we do not do so without providing some punishment, and I should like to know how we could deal with any member who contravened the rule.

Hon. Mr. BEIQUE: My answer to the honourable gentleman is this. The rule deals with the conduct of members of the Senate, and the punishment would be a motion of censure of the senator for disregarding the rule. There are already a number of rules of the Senate, but, so far as I know, there is no penalty provided for the violation of any of those rules. Nevertheless, if any member violates a rule of the Senate he is liable to be censured by the Senate. That, I think, is a sufficient penalty.

Hon. Mr. McMEANS: The motion does not even say that he shall be liable to censure. It merely provides that he shall not do certain things. I do not know of any rules of this

House except those to regulate procedure, under which an honourable member may be called to order by the Speaker. I suppose His Honour the Speaker might call upon the Sergeant-at-Arms or the Gentleman Usher of the Black Rod to put out an unruly member. While I have the greatest sympathy for the honourable gentleman's motion, I do not think a rule of the Senate would serve any useful purpose. As has been suggested by the leader on this side of the House, the question would have to be dealt with through an Act of Parliament, which must be passed by both Houses. We know that there is a great deal of criticism about this House at the present time, and probably it is time to pass such a rule as the honourable gentleman has suggested, but I cannot see what possible effect it would have unless there were some way of enforcing it.

Hon. A. C. HARDY: Honourable senators, I am quite unable to see how this rule could work out. I have in my mind the case of a corporation that had business with a department in connection with a rebate on income tax. I happened to be connected with that company, and that is why I speak of it as a senator. The company, having in some marvellous way overpaid its income tax, not by a large amount, but to the extent of twenty odd thousand dollars, made application for a rebate, and received back the sum of $22,000. Although I was a director of the company, I did not personally know that such an application was being made, but when the time came to declare a dividend of course I as a shareholder got some profit and benefit from that. So far as I can see, this rule would place such a director in an exceedingly difficult position. He is taking a profit, and it has required dealing with a department.

If the honourable member who moved this resolution refers to services rendered by a senator for the purpose of obtaining such a rebate—that is, to a senator going before a department for a fee—I should say that would come within the Act already in force. As I read the motion, it says that no person who happens to be a senator may attend to the business of, or even be a shareholder in, a company that is receiving any rebate or anything of that kind from any department. As my honourable friend from Inkerman (Hon. Smeaton White) has said, we have in this very Chamber probably a half dozen honourable senators who are newspaper men, whose papers are necessarily more or less prominent, simply because they belong to senators, or the senators make them prominent. I have no doubt that every one of these papers has certain dealings with the departments, if only in the matter of rendering their bills from time to time, because they do public advertising. I know that the paper in Brockville is the only one in the district, and it carries Government advertisements from time to time. So it is with the honourable senator from Lethbridge (Hon. Mr. Buchanan). What position are these honourable gentlemen to be placed in—to say nothing of cases where joint stock companies of which they are members may secure contracts of greater or less amounts?

I think that the whole rule would work such hardship that a man who is a member of a joint stock company paying dividends could not sit here. I might also bring in the point as to a barrister. No senator could be a member of a firm that took any parliamentary work at all. None of the partners of a senator could come to a department and attempt to negotiate work for any clients, because the senator, as a member of the firm, would probably receive some benefits or profits from the fees in that connection.

I think that, as the honourable leader of the Government has said, this is a matter which requires very long, careful and serious consideration. I am absolutely against the proposed rule.

Hon. Mr. LAIRD: I rise to a point of order, honourable members, on the ground that this matter is already, and has been for some time, before the House. No. 2 of the Orders of the Day states that the honourable member for De Salaberry (Hon. Mr. Béique) has on the Order Paper a motion to be dealt with this evening, as follows:

> Resuming the adjourned debate on the motion of Honourable Senator Béique that the following senators be named to serve on the Special Committee appointed to inquire into the advisability of a rule being adopted by the Senate defining the nature and extent of the relations of a member of the Senate with the Dominion Government.

I may say that a motion relating to this rule has been before the House since July 9, having been first placed on the Order Paper by the honourable member for De Salaberry (Hon. Mr. Béique), and it has not been disposed of. The same honourable gentleman comes forward this evening and moves a motion which is practically to the same effect, inasmuch as it provides a new rule that—

> No senator shall be entitled, directly or indirectly, personally, or as a member of a firm, or as a shareholder of a personal or family corporation, to any benefit or profits resulting from relations, either by himself or by such corporation with the Government or any of its departments.

Now, I would refer to the Rules of the Senate, No. 25a, which has a bearing on this question. It reads as follows:

No question or amendment shall be proposed which is the same in substance as any question or amendment which, during the same session, has been resolved in the affirmative, or negative, unless the order, resolution or vote on such question or amendment has been rescinded.

It is possible that the whole of. Rule 25a does not apply to this case, but I submit that the Order standing in the name of the honourable member for De Salaberry for disposal to-night, which has been on the Orders of the Day since the 9th of July, should have priority, and should be disposed of before the resolution which he has moved to-night, and which is now before the House. I submit that these two motions of the honourable gentleman directly deal with the same subject; consequently the motion now moved by him is not in order, and the subject properly comes up first under No. 2 of the Orders of the Day.

Hon. Mr. BEIQUE: The honourable gentleman evidently saw that his first objection was not properly taken, because when he came to read the rule he saw that no resolution had been actually passed. As to the second point, surely the honourable gentleman can hardly be serious in stating that the relative position of matters which come before this honourable House may not be changed. An item in the Orders of the Day may be the first order to-day and the fourth or sixth to-morrow.

Hon. Mr. LAIRD: Does my honourable friend think it reasonable for him to have before the House half a dozen motions dealing with the same subject?

Hon. Mr. GILLIS: Honourable members, I fail to see how this rule could possibly interfere with newspapers that have dealings with the Government. This is not an Act, or an amendment to an Act or statute; it is simply a proposed rule of this Chamber, and as regards providing penalties, or anything of that kind, it does not amount to anything. We enact rules only for our guidance, for the purpose of governing procedure in various phases of the business in the House. Even if this rule were adopted it would have no effect, for it cannot be enforced, as has been pointed out, there being no penalty provided. If it is necessary to provide a proper penalty for those who are guilty of an infraction of the law, then our statute should be amended.

Hon. Mr. TANNER: Is the honourable gentleman discussing the point of order?

Hon. Mr. GILLIS: No; I am discussing the question of bringing in an amendment for the purpose of punishing men who may be guilty.

Some Hon. SENATORS: Order! Order!

Hon. Mr. LAIRD: I ask for a ruling on the point of order.

The Hon. the SPEAKER: The rule quoted by the honourable member, No. 25a, says:

No question or amendment shall be proposed which is the same in substance as any question or amendment which, during the same session, has been resolved in the affirmative, or negative, unless the order, resolution or vote on such question or amendment has been rescinded.

I understand that rule as affecting a vote, a motion or a resolution which has been dealt with by the House. But I think there may be on the Order Paper more than one motion of the same kind. The moment that one is resolved in the affirmative, or in the negative, it does away with the others. I would say that if the Senate took action on the present motion, the point taken by the honourable member would be correct and the second order could not be called.

Hon. R. DANDURAND: Honourable members of the Senate, some time ago I stated that we had no rule covering the various activities of a member of the Senate in his relations with the Government or its departments, and I thought it would be of advantage to the Senate to appoint a committee of this House to see if a general rule could not be framed, or some line drawn, as between certain things which should be permissible and others which should not be. I realize that the matter is not a simple one, and I should have preferred that a committee deal with the whole problem. I was glad to hear my honourable friend the leader of the Government repeat virtually what I said—that probably in our investigation we might find it desirable that a joint committee of the two Houses should be established for the purpose of uniformity. Just now, however, we are dealing with this proposed rule of my honourable friend from De Salaberry:

No senator shall be entitled, directly or indirectly, personally, or as a member of a firm, or as a shareholder of a personal or family corporation, to any benefit or profits resulting from relations, either by himself or by such corporation with the Government or any of its departments.

Amendments made be made to the present motion, but, if we are now going to a vote, I shall vote in the affirmative.

Hon. C. E. TANNER: Honourable members, as far as I am concerned, I should like a little more light on this subject before voting. One thing I should like to know is whether we are being asked to adopt a rule of ethical conduct, as my honourable friend the leader on the other side not very long since expressed it, or are being asked to enact a law. If a law is to be passed, the light in which the matter appears to me is very different from what it would be if the proposition were merely to declare some ethical principle. My honourable friend the leader on the other side, during a discussion of kindred subjects not long ago, drew a very clear distinction between what he called the ethical side of the subject and the legal side. As I say, I am still cloudy as to what the honourable member from De Salaberry means; whether he means that this House should adopt a rule that is within the meaning of a law—a law set out in our Statute Book—or whether he is merely asking this House to declare an ethical principle.

Hon. Mr. BEIQUE: I would say—

Hon. Mr. TANNER: If my honourable friend will permit me, I will finish the few remarks I have to make. This subject-matter, as I see it, has been before this House in three distinct stages. At the first stage an honourable senator, without anybody in this House making a charge against him, voluntarily made a statement of certain facts, or what we presume were facts. He told the House all the facts in connection with a matter in which he was concerned. Thereupon a proposal was made on this side of the House to the effect that there was a duty upon the Senate to consider those facts. No one was making any charges against the honourable member, but he accused himself. In order to approach the matter with due dignity, it was proposed from this side of the House that the Senate should appoint a committee to consider the facts stated by that honourable member, and to advise the Senate what ought or what ought not to be done, or whether anything could be done.

The majority of the honourable members of this House brought on the next stage when the honourable member for De Salaberry moved an amendment to the motion to which I have referred. That amendment virtually obliterated the motion made on this side. In other words, honourable members who were in the majority said, "We will not take these matters into consideration," and they voted accordingly.

We have at present on the Order Paper a motion precisely the same as the one that was made from this side; a motion asking for a committee to consider a statement made by another honourable member of this House a few days ago.

Some Hon. SENATORS: No, no.

Hon. Mr. TANNER: It is, in effect, precisely the same motion which honourable members on the other side of the House voted down.

Hon. Mr. WILLOUGHBY: Motion No. 2.

Hon. Mr. TANNER: Not word for word the same, but it embodies the same policy and the same principle.

At the second stage the honourable member from De Salaberry gave notice of a motion for the appointment of a committee to consider the advisability of making a rule. Now, at another stage, we are confronted with a motion for the adoption of the rule itself, which the honourable member for De Salaberry has drafted.

There we are, and I am at a loss to understand just where we fit into this matter.

Then there is this other aspect of the question. This Senate Chamber is not Parliament, but only a constituent part of it. The House of Commons, the Senate and the Governor General constitute Parliament. So far as I know, the Senate and the House of Commons are the only bodies that can legislate for this country; but this Senate cannot of itself make a law, nor can the Commons of itself make a law. Parliament is a purely statutory body, created by the British North America Act, which confers legislative authority on it, and not on this Senate nor the House of Commons alone. That Act governs the privileges and immunities of Parliament. Now, we have chapter 147 of the Revised Statutes of Canada, which my honourable friend from De Salaberry has quoted to-night. On the subject under discussion that is the only law. My honourable friend may make ten thousand rules such as he proposes, but if those rules are not within the four corners of chapter 147 they amount to nothing more than waste paper, in my judgment. I should like to hear whether I am right or wrong on that point.

What does the honourable member propose? He proposes that—

> No senator shall be entitled, directly or indirectly, personally, or as a member of a firm, or as a shareholder of a personal or family corporation, to any benefit or profits resulting from relations, either by himself or by such corporation with the Government or any of its departments.

Now, section 21 of chapter 147 of the Revised Statutes of 1927 says:

No person, who is a member of the Senate, shall directly or indirectly, knowingly and wilfully be a party to or be concerned in any contract under which the public money of Canada is to be paid.

That is the law. Does my honourable friend from De Salaberry propose that that law should be enlarged? Or does he propose to narrow it? If so, where does he get the authority for enlarging or narrowing it? Can this Chamber alone alter a statute that has been passed by Parliament? It seems elementary to me—I may be labouring under a misapprehension—that no such thing can be done.

My second point is that this statute which I have just read is fully as comprehensive as the rule which the honourable gentleman proposes. Notwithstanding all the law that has been quoted in this House on previous occasions, I am bound to say that it is my opinion, and I take the risk of stating it, that the words "or be concerned in" are just as comprehensive as any words in the motion before us.

The proposed rule would apply not only to a senator personally, but to any senator in his capacity as a member of a firm, or as a shareholder of a personal or family corporation. I would draw attention to subsection 4 of section 21 of chapter 147 of the Revised Statutes, which reads:

This section—

That is the one I have already read, which provides that no senator shall be a party to or concerned in any contract under which the public money of Canada is to be paid.

—shall not render any senator liable for such penalties, by reason of his being a shareholder in any incorporated company, having a contract or agreement with the Government of Canada, except any company which undertakes a contract for the building of any public work.

In view of the statutory provision that a senator shall be exempt from certain penalties "by reason of his being a shareholder in any incorporated company," I should like to know where my honourable friend gets his authority for saying that this Chamber can make a rule that would render a senator liable by reason of his being a "shareholder of a personal or family corporation." As I have always understood, the greater includes the less; therefore, since a senator in his capacity of shareholder of an incorporated company is exempt from certain penalties, he would not be made liable merely because the company happened to be a family corporation—or the Beauharnois Corporation. All that the law requires is that the company be incorporated: if I am a shareholder in a corporation, any corporation, that has a contract with the Government, the law exempts me.

In conclusion, honourable senators, I can only say, with all deference to my honourable friend, that unless he is proposing this rule as a declaration of ethics—that is, if he is asking this House to adopt it solemnly as a law binding upon the Senate—he is wasting time.

Hon. W. A. GRIESBACH: May I ask the honourable gentleman from De Salaberry a question? He is familiar, as all other honourable members are, with the matter which brought about this whole discussion, namely, the case in which the honourable the senior member for Ottawa (Hon. Mr. Belcourt) was concerned. I should like to ask him this: If the rule he now proposes had been in force some years ago—as least two years ago—would the conduct of the senior senator for Ottawa have been contrary to that rule?

Hon. Mr. BEIQUE: I think I have already stated my opinion in that respect. I have said on two or three occasions that there was no rule at the time, and therefore nothing had been violated.

Hon. Mr. GRIESBACH: That is not in reply to my question. My question is: If this rule had been in existence at the time—

Hon. Mr. BEIQUE: Of course, if this rule had been in force there clearly would have been a violation of it.

The motion of Hon. Mr. Beique was negatived on the following division:

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Hon. E. W. TOBIN: Honourable members, I was paired with the honourable gentleman from South Bruce (Hon. Mr. Donnelly). Had I voted, I should have voted for the motion.

Hon. L. C. WEBSTER: Honourable members, I was paired with the honourable gentleman from Wellington (Hon. Mr. McDougald). Had I voted, I should have voted against the motion.

Hon. A. B. COPP: Honourable members, I was paired with the honourable gentleman for Westmorland (Hon. Mr. Black). Had I voted, I should have voted for the motion.

THE BEAUHARNOIS PROJECT

NOTICE OF MOTION WITHDRAWN

On the notice of motion:

That a Special Committee of members of the Senate be appointed to inquire into and report upon the matters referred to by the Honourable Senator McDougald at the sitting of the Senate on the 16th day of July, 1931, in regard to his connection with the Beauharnois Power Corporation.—Hon. Mr. Hardy.

Hon. A. C. HARDY: Honourable members, when I gave notice of this motion, at the last sitting of the Senate, I did so very hurriedly, as I said at the time, just as the House was about to adjourn. In that notice I referred to the 16th of July because I thought the statement made by the honourable senator from Wellington (Hon. Mr. McDougald) on that date covered everything he had said here upon the question, including his remarks on the occasion when he considered that he was attacked. As the honourable senator had stated, both in this Chamber and publicly, that he would not appear before a committee of the House of Commons, and as he asked for a committee of members of the Senate, I felt it was only fair to him that a committee of this House should hear what he had to say. It seemed to me, when I gave notice of the motion, that only by appointing such a committee could we get a statement from the honourable gentleman. Since that time there have been other developments, and I believe that my motion is not now necessary. Strictly according to the rules I am not compelled to rise or say anything at all; I could merely signify to the Clerk my intention to withdraw the notice. But I did not want to place myself in the attitude of running away from the motion, once I had given notice of it, and I much prefer to leave myself in the hands of my colleagues. It is my intention to withdraw the notice, but should there be any question of my right to do so without the unanimous consent of the Senate, I would respectfully ask for it, although I do not think it is necessary. I ask for leave to withdraw the notice.

Hon. Mr. GRIESBACH: Before unanimous consent is given for the withdrawal of the notice, I should like to offer a few observations on this matter. The House is familiar with the sequence of events. On a certain date a committee of the other House desired that House to issue an invitation or request to three members of the Senate for them to testify before that committee, and in due course the request came before us and was considered. The Senate, in giving its consent to the attendance of the three members, safeguarded its constitutional rights—

Hon. Mr. DANDURAND: Would the honourable gentleman allow me to interrupt him? Is there anything before the House?

Hon. Mr. CASGRAIN: No, there is nothing before the House.

Hon. Mr. SHARPE: Yes, there is.

Hon. Mr. DANDURAND: There was a notice of motion, but the motion has not been moved. So I ask His Honour the Speaker if there is anything before the House.

Hon. Mr. McMEANS: The honourable gentleman from Leeds (Hon. Mr. Hardy) moved that the notice be withdrawn.

Hon. Mr. GRIESBACH: The honourable gentleman has moved that it be withdrawn.

Hon. Mr. HARDY: No; pardon me. I said that I should like to withdraw it, but that I was in the hands of the House. I have not made a motion.

Hon. Mr. GRIESBACH: The honourable gentleman asked for unanimous consent to withdraw.

Hon. Mr. DANDURAND: I ask His Honour the Speaker if there is anything before the House.

The Hon. the SPEAKER: The motion proposed by the honourable senator from Leeds (Hon. Mr. Hardy) is at present before the House.

Hon. Mr. DANDURAND: But it is not moved.

Hon. Mr. SHARPE: It is before the House.

The Hon. the SPEAKER: It is the motion to withdraw.

Hon. Mr. DANDURAND: It is not necessary to have a motion for withdrawal. Before any discussion can be in order there must be something before the House.

Hon. Mr. SHARPE: The motion is before the House.

Hon. Mr. HARDY: I stated that I withdrew the notice.

Hon. Mr. GRIESBACH: The honourable gentleman asked for unanimous consent.

Right Hon. Mr. GRAHAM: No.

Hon. Mr. DANDURAND: No.

The Hon. the SPEAKER: The honourable senator mentioned the unanimous consent of the Senate, being in doubt whether he was at liberty to withdraw his notice. He is at liberty to do so. If he desires to drop his notice, he should so signify.

Hon. Mr. HARDY: Drop.

MOTION FOR ADJOURNMENT TO DISCUSS MATTER OF PUBLIC IMPORTANCE

Hon. Mr. GRIESBACH: Honourable senators, I beg leave to move the adjournment of the House, for the purpose of drawing attention to a matter of urgent public importance.

As I was about to observe, the House is familiar with the sequence of events in this matter. There was, first, a request from the other House that we should permit three members of this Chamber to go down to that House to testify before the committee now sitting. This House, in giving its permission to the three members to attend that committee, adopted the formula dictated by precedent, having regard for the rights, privileges and immunities of members of the Senate, and concluded the permission with the words "if they see fit."

Hon. Mr. HARDY: Is the honourable gentleman debating on the motion to adjourn?

Hon. Mr. GRIESBACH: Yes.

Hon. Mr. HARDY: A motion to adjourn is not debatable.

Hon. Mr. GRIESBACH: It is, for the purpose of discussing a matter of urgent public importance.

Hon. Mr. HARDY: The motion to adjourn is not debatable.

Hon. Mr. GRIESBACH: I am not discussing the motion to adjourn; I am discussing a matter of urgent public business.

The House, in putting the words "if they see fit" at the conclusion of the consent, thereby declared its adherence to an ancient and constitutional right, that members of this House cannot be compelled to go before a committee of the House of Commons. Of those three members the honourable gentleman from Lanark (Hon. Mr. Haydon) submitted medical evidence that he was unable to attend before the committee; the honourable member for De la Vallière (Hon. Mr. Raymond) attended and gave evidence; and the honourable gentleman from Wellington (Hon. Mr. McDougald), through his legal adviser, who appeared before the committee in another place, gave, in a carefully prepared statement, four reasons why he should not attend—in other words the reasons why he would exercise his constitutional right, his personal right, to refuse to appear before that committee, if he saw fit, even though he had the consent of this House.

On the 16th instant the honourable gentleman from Wellington, from his place in this House, read the reasons which his counsel had given before the Beauharnois Committee for his refusal to attend, and in addition he made these observations:

I think it is only right and fair that I should give to honourable members of the Senate the official statement which has been presented, through my attorney, to the committee of the House of Commons, setting forth my reasons for not appearing before that committee. I should like the privilege of reading the statement—

Then he read the statement, and he concluded with these words:

I ask that honourable members of the Senate give my petition consideration.

He decided to exercise his constitutional right to refuse to go before that committee. He so informed the committee, and so informed this House; and I submit that thereupon there was laid upon this House the duty and obligation of asserting its right, going to the rescue of the honourable gentleman, and defending him from any attack that might be made upon him. I venture to assert that all the members of this House, regardless of what their opinions may have been as to the wisdom of the course taken by the honourable gentleman, were prepared to support him to the utmost in the position he had adopted.

In furtherance of this earnest request the honourable gentleman from Leeds (Hon. Mr. Hardy) moved for the appointment of a committee of the Senate to conduct a similar investigation.

Right Hon. Mr. GRAHAM: He gave notice.

Hon. Mr. GRIESBACH: He gave notice. Then the committee of the House of Commons issued its subpœna to the honourable gentleman from Wellington (Hon. Mr. McDougald). Without any notice to this House, and, I gather from the remarks of the honourable gentleman from Leeds (Hon. Mr.

Hardy), without any notice to him, the honourable member from Wellington turned up in the committee of the House of Commons and there gave testimony.

I submit that under the circumstances, and in order that mistakes may be avoided in the future, it is proper at this time that I should place on Hansard the law with respect to this question of members of the Senate being compelled to appear before a committee of the other House. The law on the matter is to be found, in the first place, in the British North America Act, section 18, as amended by 38-39 Victoria, chapter 38, 1875, which reads as follows:

The privileges, immunities and powers to be held, enjoyed, and exercised by the Senate and by the House of Commons, and by the Members thereof respectively, shall be such as are from time to time defined by Act of the Parliament of Canada, but so that any Act of the Parliament of Canada defining such privileges, immunities and powers shall not confer any privileges, immunities, or powers exceeding those at the passing of such Act held, enjoyed, and exercised by the Commons House of Parliament of the United Kingdom of Great Britain and Ireland, and by the Members thereof.

Then in section 4 of the Senate and House of Commons Act, chapter 147 of the Revised Statutes of Canada, we find these words:

The Senate and the House of Commons respectively, and the members thereof respectively, shall hold, enjoy and exercise,

(a) such and the like privileges, immunities and powers as, at the time of the passing of the British North America Act, 1867, were held, enjoyed and exercised by the Commons House of Parliament of the United Kingdom, and by the members thereof, so far as the same are consistent with and not repugnant to the said Act; and

(b) such privileges, immunities and powers as are from time to time defined by Act of the Parliament of Canada, not exceeding those at the time of the passing of such Act held, enjoyed and exercised by the Commons House of Parliament of the United Kingdom and by the members thereof respectively.

You will notice it is provided, not that the privileges, rights and immunities of the members of the Senate of Canada shall be equal to those of the members of the House of Lords, but that the rights, privileges and immunities of the Senate of Canada shall be equal to those of the House of Commons in Great Britain.

Rule 94 of the Senate of Canada reads as follows:

94. When the attendance of a senator, or any of the officers, clerks or servants of the Senate is desired, to be examined by the Commons, or to appear before any committee thereof, a message is sent by the Commons, to request that the Senate will give leave to such senator, officer, clerk or servant to attend; and if the Senate grant leave to such senator, he may go, if he thinks fit; but it is not optional for such officer, clerk or servant to refuse.

Hon. Mr. GRIESBACH.

You will note the distinction between the members of this House and the servants of this House.

Without such leave, no senator, officer, clerk or servant of the Senate shall, on any account, under penalty of being committed to the Black Rod or to prison during the pleasure of the Senate, go down to the House of Commons, or send his answer in writing, or appear by counsel to answer any accusation there.

Beauchesne's Parliamentary Rules and Forms, second edition, page 198, note 677, reads as follows:

Whenever the evidence of a Senator is required before a Committee of the Commons, it is usual for the Chairman to move in the House that a message be sent to the Senate requesting their Honours to give leave to . . . . one of their members, to attend and give evidence before the Select Committee, etc.

Bourinot's Parliamentary Procedure, fourth edition, page 480, states:

Whenever the evidence of a senator is required before a committee of the Commons, it is usual for the chairman to move in the House that a message be sent to the Senate requesting their honours to give leave to . . . . one of their members, to attend and give evidence before the select committee, etc. The Senate will consider the message and give the required leave to the senator, "if he thinks fit." If the attendance of a member of the Commons is required before a committee of the Senate, the same procedure will be followed. In the case the attendance of an officer of either House is required a message will be sent; but in the message in reply the words, "if he thinks fit" are omitted.

At page 158 of the Debates of the Senate of the session of 1883, in speaking to a motion to permit certain senators to attend and give evidence before a committee of the House of Commons, Hon. Mr. Miller, pointing out that a member of the Senate has no right to go before a committee of the other House without the leave of the Senate, made the following statement:

It is a very important privilege of this House and should be strictly regarded.

May's Parliamentary Practice, thirteenth edition, page 578, reads as follows:

If the evidence of a member be desired by the House, or a Committee of the Whole House, he is ordered to attend in his place on a certain day. But when the attendance of a member as a witness is required before a select committee, the chairman sends to him a written request for his attendance. Pursuant to the resolution of the 16th March, 1688, if a member of the House should refuse, upon being sent to, to come to give evidence or information as a witness to a committee, the committee ought to acquaint the House therewith, and not summon such member to attend the committee.

There has been no instance of a member persisting in a refusal to give evidence: but members have been ordered by the House to attend select committees. In 1731, Sir Archi-

bald Grant, a member, was committed to the custody of the Serjeant-at-arms, "in order to his forthcoming to abide the orders of the House," and was afterwards ordered to be brought before a committee, from time to time, in the custody of the Serjeant. On the 28th June, 1842, a committee reported that a member had declined complying with their request for his attendance. A motion was made for ordering him to attend the committee, and give evidence; but the member having at last expressed his willingness to attend, the motion was withdrawn.

If the attendance of a peer should be desired, to give evidence before the House, or any committee of the House of Commons, the House sends a message to the Lords, to request their lordships to give leave to the peer in question to attend as a witness before the House or committee, as the case may be. If the peer should be in his place when this message is received, and he consents, leave is immediately given for him to be examined, if he think fit. If not present, a message is returned on a future day, when the peer has, in his place, consented to go. Exactly the same form is observed by the Lords, when they desire the attendance of a member of the House of Commons. The attendance of a member to be examined, when the Lords are sitting on the trial of an impeachment is secured by means of a message: but if the Lords be sitting as a court of criminal judicature on the trial of a peer, they order the attendance of a member of the House of Commons without message. Whenever the attendance of a member of the other House is desired by a committee, it is advisable to give him private intimation, and to learn that he is willing to attend, before a formal message is sent to request his attendance. But these formalities, though occasionally adopted, are not usual or necessary in the case of private bills, where the attendance of members of either House as witnesses is voluntary. If a member should be in custody when leave is given him to attend the House of Lords, the Serjeant-at-arms is ordered to permit him to attend, in his custody.

The same ceremony is maintained between the two Houses in requesting the attendance of officers connected with their respective establishments: but when leave is given them to attend (see p. 583), the words "if they think fit," which are used in the case of members, are omitted in the answer.

Standing Order No. 64 of the House of Lords provides that:

No lord shall either go down to the House of Commons, or send his answer in writing, or appear by counsel, to answer any accusation there, upon penalty of being committed to the custody of Black Rod, or to the Tower, during the pleasure of this House. (See May, page 581, note 1).

From the foregoing it seems to be clear that a member of the Senate shall hold, enjoy and exercise such and the like privileges, immunities and powers as were held, enjoyed and exercised at the time of the passing of the British North America Act, 1867, by members of the House of Commons in the United Kingdom; that it was not obligatory for a member of the House of Commons in the United Kingdom to attend as a witness before a committee of a House other than the House of Commons; and that therefore a member of the Senate is not obliged to attend as a witness before a committee of a House other than the Senate.

In this case the honourable gentleman from Wellington was asked for by the other House, and the consent of this House was given for him to attend if he saw fit. He did not see fit, and he took a most public manner of declaring that it was not his intention to go. He threw himself into the arms of the Senate. The Senate, I take it, stood ready to uphold its ancient privileges, rights and immunities. In answer to a subpoena of the committee of the House of Commons, and without a word of warning to this House, the honourable gentleman attended and gave evidence before that committee. Out of these circumstances a precedent may be established. It may be assumed by the public, or by the press and a great many people, that a subpœna of the House of Commons runs in this Senate whenever it is seen fit to issue one; and it is for this reason that I have risen to call attention to the rights, privileges and immunities of the members of this House in respect to compulsory attendance before committees of the House of Commons. There is danger that the case of the honourable gentleman from Wellington (Hon. Mr. McDougald) may be taken as a precedent, and it is now desirable, either by the recording of this debate, or by a formal motion of this House, that it be made clear that this House does not acquiesce in the action of the House of Commons in this respect, nor does it relinquish the rights, privileges and immunities which constitutionally belong to members of this House.

I have much pleasure in withdrawing my motion to adjourn.

The motion was withdrawn.

DIVORCE BILLS

FIRST, SECOND AND THIRD READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were read the first time:

Bill A1, an Act for the relief of Pearl Whelan.

Bill B2, an Act for the relief of Bruce Raymond Diamond.

Hon. Mr. McMEANS: Honourable members, I move that these Bills be given their second and third readings now, as prorogation is close at hand and they have to go to the House of Commons committee.

The motion was agreed to, and the Bills were read the second and third times, and passed.

PENSIONS BILL

FIRST READING

Bill 110, an Act to amend the Pensions Act. —Hon. Mr. Willoughby.

CUSTOMS BILL

FIRST READING

Bill 39, an Act to amend the Customs Act. —Hon. Mr. Willoughby.

SAFETY OF LIFE AT SEA AND LOAD LINE CONVENTIONS BILL

FIRST READING

Bill 96, an Act respecting the International Convention for the Safety of Life at Sea signed in London on the thirty-first day of May, 1929, and the International Convention respecting Load Lines signed in London on the fifth day of July, 1930.—Hon. Mr. Willoughby.

IDENTIFICATION OF ALIENS BILL

REPORT OF SPECIAL COMMITTEE ADOPTED

On the Order:

Resuming the adjourned debate on the motion of Hon. Senator Beaubien for the adoption of the report of the Special Committee to whom was referred the Bill A1, an Act to provide for Alien Identification Cards.—Hon. Mr. Tanner.

Hon. Mr. TANNER: Honourable members, at the last sitting of the House I said all that I desire to say on this matter. I moved the adjournment merely for a breathing space. I am content that the report should go.

Hon. Mr. BEAUBIEN: I move the adoption of the report.

The motion was agreed to.

THIRD READING POSTPONED

Hon. Mr. BEAUBIEN: I move the third reading of the Bill.

Hon. Mr. MURDOCK: I move in amendment that it be read a third time six months hence.

Hon. Mr. BEAUBIEN: If my honourable friend insists on his motion, I will move that the Bill be placed on the Orders of the Day for third reading to-morrow.

The motion was agreed to.

CANADA SHIPPING BILL

CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 97, an Act to amend the Canada Shipping Act.—Hon. Mr. Tanner.

Hon. Mr. Beaubien in the Chair.

Hon. Mr. McMEANS.

Section 1, the preamble and the title were agreed to.

The Bill was reported without amendment.

INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

CONCURRENCE IN REPORTS OF COMMITTEE

Hon. Mr. DANIEL moved concurrence in the fifth report of the Committee on Internal Economy and Contingent Accounts.

He said: This is the usual annual report of the expenditure of the Senate during the year.

The motion was agreed to.

Hon. Mr. DANIEL moved concurrence in the sixth report of the Committee.

He said: This report refers to the annual supply of stationery to members of the Senate.

The motion was agreed to.

Hon. Mr. DANIEL moved concurrence in the seventh report of the Committee.

He said: This is a recommendation from the Internal Economy Committee. It is submitted on account of rumours that have been heard around the Parliament Buildings for the last year or two, with regard to changes that might be contemplated in the different internal branches of the Senate; such changes, for instance, as the joining of the post office of the Senate with that of the Commons, and the making of the Law Clerk's Branch a part of the Justice Department.

Hon. Mr. CASGRAIN: I am against that.

Hon. Mr. DANIEL: Although there have been numerous rumours of this kind, no official action has ever been taken, and the Clerk of the Senate was desirous of having some instructions as to what he ought to do during the recess of Parliament. The Internal Economy Committee recommends that he take no action during the recess, or until Parliament assembles again. The report is made at the request of the Clerk of the Senate.

The motion was agreed to.

Hon. Mr. DANIEL moved concurrence in the eighth report of the Committee.

He said: The purpose of this report is simply to request the Civil Service Commission to release the appointment of Law Clerk and hand it over to the Senate, in case the Senate at any time may wish to make such appointment. That is all the report contains.

The motion was agreed to.

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

THE SENATE

Wednesday, July 22, 1931.

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

Prayers and routine proceedings.

PRIVATE BILL

THIRD READING

Bill 30, an Act respecting the St. Lawrence River Bridge Company.—Hon. Mr. Hardy.

IDENTIFICATION OF ALIENS BILL

MOTION FOR THIRD READING—DEBATE ADJOURNED

Hon. C. P. BEAUBIEN moved the third reading of Bill A1, an Act to provide for Alien Identification Cards.

Hon. R. DANDURAND: I should like to ask the honourable gentleman what procedure or method exists, either under this Bill or under our general laws, for identifying gunmen and other bandits who invade Canada from the south.

Hon. C. P. BEAUBIEN: I understand that under the general law every person who crosses the line has to register. I think I mentioned to the House previously that the Immigration Department objected to the proposal that Americans who come to Canada, whether for the purpose of residing here or not, should be subject to the identification cards, and therefore Americans were excluded from the operation of this measure. The Bill would compel people who come to Canada by vessel to register and to carry an identification card. My honourable friend will see that the word "vessel" is defined in paragraph (c) of clause 2 of the Bill as follows:

"vessel" includes every boat and craft of any kind whatsoever for travel or transport other than by land or inland or coastal waters.

Hon. Mr. DANDURAND: So that suspicious characters who invade our towns and cities remain under the control of the police and, on suspicion, may be arrested and have their records investigated?

Hon. Mr. BEAUBIEN: I know that is not altogether satisfactory for those who wish the law applied to all aliens, but, as I have already stated to the House, the committee felt it was wise to follow the recommendations of the Department of Immigration.

Hon. J. MURDOCK: Honourable senators, my honourable friend is entirely mistaken in suggesting that everyone who crosses the line has to register. I speak with some knowledge, for I think I have crossed the line more often than any other member of this House. All that an American citizen, whether a gunman or not, needs to do is to suggest that he is coming into Canada for a short time—that he intends to return to the United States after a brief visit. We are living in an age in which, to some extent, untruth, camouflage and four-flush are prevalent, and in my judgment the effect of this Bill would be to place a further premium on things of that sort. I should be whole-heartedly in favour of the Bill if Canada could proceed in a businesslike way to keep an absolute check upon every alien within our borders. But this Bill does not propose that. All that this Bill proposes is the placing of a mark upon those who arrive at the ports of Canada by vessel, and my honourable friend knows that it would not touch one-tenth of the aliens that are in the country.

Section 4 of the Bill provides for a check-up on aliens who have been in Canada for some years. The section reads:

Every alien of more than sixteen years of age, who, being qualified by his period of residence in Canada or in His Majesty's Dominions—

I should like my honourable friend to explain later what is the purpose of the words "His Majesty's Dominions" in this section.

—to request a certificate of naturalization, fails to apply for such certificate within six months from the coming into force of this Act, or who thereafter becoming so qualified fails to apply for such certificate within six months following such qualification, or who having applied for such certificate is denied the same by the proper authority, shall complete on oath before and obtain from the clerk or secretary-treasurer, or other person duly authorized to act in his stead of the city, town, village or other municipality wherein the alien resides, a card of identification.

If I can read English, that clause is surely intended to be applicable to every alien now in Canada or who may come to Canada, whether by rail or otherwise, from the United States or elsewhere. When this matter was discussed briefly the other day, I understood my honourable friend to say that the measure was not intended to apply to American citizens. But, I repeat, if I can read the English language correctly, this section 4 clearly covers all aliens, including Americans. Now, the question that occurs to me is: Do we want to encourage retaliation of the kind that might ensue from the passage of this Bill?

I firmly believe that not a single member of this honourable House thinks for one moment that this Bill will be passed in the present session of Parliament. In other words, it is simply a gesture; and if I as a new and

inexperienced member of this Chamber might express my view, I would say that it is a mistake for the Senate of Canada to undertake to enact such a half-baked measure for the purpose that it is intended to cover. This is my own thought, and I express it with all due respect. We might be devoting our time and energies to something a great deal more worthy. One week ago, on the outskirts of this city, the body of a man who was born in Canada was discovered in a barn, and the coroner's jury found that he died of starvation. Think of it! A Canadian citizen, born in Canada, in a land flowing with milk and honey, in a land of plenty, dying of starvation! On the whole, we are talking about a measure designed to put an earmark or a check upon aliens. If we passed anything of this kind in this House I should feel ashamed of my connection with it, and I feel sure that in another place the elected representatives of the people would not tolerate the Bill for one moment. Why should we have a palaver? That is what the discussion seems like to me. I of course shall have to comply with whatever may be the judgment of the majority of this House, but I say again that I think it is a great mistake for the Senate of Canada to be dealing as it now is with a matter of this kind. If we are going to do anything, or undertake to do anything, let us go about it in a clear-cut, businesslike fashion, and not be hedging, as this Bill proposes. I understood an honourable gentleman the other day suggested that we should hedge, or, in other words, we should exclude Americans from the provisions of this Bill. I think that Americans should be excluded, but in a specific manner, and that arrangements should be made to keep a check to see that some of them, if they remain within our borders, have cards of identification. In my judgment, Canada has at times suffered more from aliens whom this Bill would not begin to reach. I should like to support my honourable friend if he would undertake to bring down a Bill designed to reach those who have been undesirable in the past, but who would be exempt under this Bill.

Hon. Mr. BEAUBIEN: Honourable senators, I fail to grasp the arguments of my honourable friend. Whatever may be said of the Bill, there is no doubt, first, that its object is good; second, that the Bill has been demanded by legitimate authority; third, that it has been drafted with care, that the proper departments have been consulted and that their advice has been followed. But my honourable friend attacks the Bill by saying that it is useless because it does not apply to Americans coming into this country.

Hon. Mr. MURDOCK: And others.

Hon. Mr. BEAUBIEN: That was his first argument, but a few minutes afterwards he said that the Bill did apply to Americans within the country, and that therefore it should not be tolerated. It is difficult to follow my colleague on the shifting ground of his attack on the measure. I may be at fault; I may have been obscure in my remarks; but I thought I made it clear that the Immigration Department recommended that the measure should not apply to incoming Americans. If I did not make it clear, I hope I have done so now. As I told the honourable leader on the other side of the House, this Bill is not perfect. It is not water-tight. When you cannot have a whole loaf, it is sometimes wise to take half a loaf, and that is what we are taking, but my honourable friend should not talk of that half-loaf as a half-baked measure. I think that if he had read the Bill carefully he would not have called it a half-baked measure.

Hon. Mr. MURDOCK: I have read it a dozen times.

Hon. Mr. BEAUBIEN: Well then, I will not say I am sorry for my honourable friend, but still I cannot blame the measure for it all. I shall try to answer the objections that he has laid before the House. This Bill is not intended to apply to incoming Americans. I understand that there are some very serious reasons why we cannot make it applicable to them. We do not intend that Americans shall be stopped at the border and told that they will have to register and carry identification cards.

Hon. Mr. BUREAU: Is my honourable friend referring to citizens of North or South America?

Hon. Mr. BEAUBIEN: The situation is different with regard to Americans who have been in this country five years. We think it is not unreasonable to say to them: "You have been with us for five years, and you can now, if you so desire, enter the Canadian family. We welcome you into the Canadian family." As a matter of fact, after an American or any other alien has spent five years in this country he is allowed a further delay of six months in which to decide whether he wishes to become a Canadian.

My honourable friend wants me to explain why the words "or in His Majesty's Dominions" are inserted in section 4. The explanation is simple. One of the qualifications of an

alien for naturalization is that he must have resided for five years in Canada, or for a similar period in any other part of His Majesty's Dominions, provided that for the last year he has been a resident of Canada. It seemed to us that there was no reason why in this respect we should depart from the naturalization law.

Hon. Mr. GREISBACH: If the word "other" were inserted, to make it read "or in His Majesty's other Dominions," the section would be improved, would it not?

Hon. Mr. BEAUBIEN: If the section is read carefully it cannot, I think, be taken to mean anything but Canada or any other Dominion. It reads:

> Every alien of more than sixteen years of age, who, being qualified by this period of residence in Canada or in His Majesty's Dominions—

Hon. Mr. GRIESBACH: That suggests—

Hon. Mr. BEAUBIEN: That suggests that the qualification can be met either by residence in Canada alone or in Canada and any other British Dominion.

Hon. Mr. GRIESBACH: I am referring to the construction of the sentence. If it read "His Majesty's other Dominions" it would imply that Canada is one of the Dominions and that the applicant could qualify by residence in this or any other Dominion. But if the word "other" is not inserted the implication is that Canada is some other kind of organization than a British Dominion.

Hon. Mr. BEAUBIEN: I am perfectly willing to admit that my honourable friend knows his language better than I, and I am agreeable to the insertion of the word "other" if he thinks that would make the section clearer.

I think I have dealt with the objection raised by my honourable friend from Parkdale (Hon. Mr. Murdock) that the Bill in one respect does apply to American citizens and in another respect does not. As I have pointed out, it is true that it does not apply to American citizens when they are entering the country, and it does apply to them when they have resided in Canada for a period of at least five years.

It seems to me that this is not a harsh measure, and it is one that may be of great use. When my honourable friend refers to the fact that some people are suffering from hunger in this country, I may tell him that I know of some industries in which good, honest, sober workmen suffered from hunger for years because of certain paid elements coming to Canada, disturbing the population, keeping it constantly in a state of agitation, disorganizing the work and very often destroying the very instruments essential to its livelihood. It seems to me that if we purge the country as much as we can of such elements of disorder normal conditions will the sooner return to us. At all events, we should not be obliged to care for people whose only purpose in invading this country is to create disorder.

Hon. Mr. MURDOCK: May I ask the honourable gentleman if he can state whether this Bill, as soon as it had been passed, would not make it necessary for identification cards to be issued to about 150,000 Americans who have been in Canada for many years?

Hon. Mr. BEAUBIEN: I must frankly say I do not know, and I believe my honourable friend is mentioning a figure which is nothing but a guess, for no one will know until we get the census returns. But if the proposition is reasonable and just for one man, it is reasonable and just for 100,000 men. Surely when those people are allowed facilities to come at any time into the Canadian family and do not want to do so, they cannot complain if we treat them as in fact all European countries treat Canadians.

Hon. Mr. McMEANS: Has my honourable friend considered that there are in the United States hundreds of thousands of Canadians who have never become naturalized subjects? While I have no quarrel with this Bill, it seems to me to be on rather dangerous ground if it treats Americans in Canada, who are not naturalized, on any basis different from that on which the United States treats Canadians who reside there, but have never taken out naturalization papers.

Hon. Mr. MURDOCK: Hear, hear.

Hon. Mr. BEAUBIEN: My honourable friend's remarks are quite to the point, and I think it would be preposterous on my part to say that if we would apply this law to Americans in our country we should resent any similar law being applied to Canadians in the United States. But I should like to find out where the hardship would be. I do not hesitate to cross the line and register; and there must be twenty per cent of the members of this House who travel across to Europe and register, though they do not go there to reside.

Hon. Mr. McMEANS: But I am not talking about Europe; I am talking about the United States.

Hon. Mr. BEAUBIEN: I know, but I am just making a casual remark to show that, after all, it would not be a very great hardship if that were the case. If there were such an interchange of treatment between the two

nations they might both find it an effective means of getting rid of undesirable subjects. And why not?

Hon. F. L. BEIQUE: Honourable members, for my part I agree entirely with every word that has been spoken by the honourable member from Montarville (Hon. Mr. Beaubien). I should have liked the Bill to go still further, but I understand that on the advice of the Immigration Department the honourable member has limited the Bill as he has done. I think the Bill goes in the proper direction. It is not perfect, but it is as nearly perfect as it can be at the outset, and I hope it will be approved of by the Immigration Department, and that at a subsequent session that department will have the means of amending what may be lacking in this Bill.

Hon. J. S. McLENNAN: Honourable members, I do not think this debate should close without some word of protest being spoken against the implication that I gathered from the general tone and temper of what my friend and desk mate has just said, namely, that there is some degree of remissness or laxity in an alien living for five years in this country and not becoming a citizen, and that our proper course is to induce him, or bring pressure on him, to become at the earliest moment a citizen of Canada. It seems to me that we do a great deal for the alien in allowing him to come into this country, to enjoy the protection of our laws, and in very many cases to exploit successfully the opportunities which Canada gives in perhaps larger measure than his own country. But Canadian citizenship is a precious thing, and those of us to the manner born can sympathize with the Apostle who, when the Centurion stated that he had bought his Roman citizenship at a great price, replied, with triumph, "But I am free-born." The tendency of this legislation, as the honourable member from Montarville states it, seems to press the alien who comes here to become a citizen. I feel that he should not be pressed to become a citizen, but rather that he is given a great privilege in being allowed to do so, and should deem it a privilege conferred only on the worthy.

Hon. Mr. MURDOCK: Does my honourable friend think that the million Canadians in the United States should have the proposition put to them that they should relinquish their Canadian citizenship?

Hon. Mr. McLENNAN: They are not obliged to do so; but I think that the authorities who frame the legislation and guide the destinies of Canada should avoid any course of action or any manner of statement which would minimize in any degree what they regard as the high privilege of becoming a Canadian citizen; just as those who guide the destinies of the United States should avoid minimizing what they consider to be the high privilege of becoming a citizen of that country.

Hon. Mr. MURDOCK: Honourable gentlemen, my amendment is that this Bill be read a third time six months hence. It is seconded by Hon. Senator Copp.

Hon. GEORGE GORDON: Honourable gentlemen, my first objection to this Bill is that this is the first time I have seen it. My second objection is that it involves discrimination with regard to people coming from the United States. I do not see why a distinction should be made between an American who lands from an ocean vessel and one who lands from a vessel on the Great Lakes. I know that there are many Canadians now living in the United States who have been there for years. One of the best citizens we have ever had in Canada, who died a few days ago, came over here in a minor capacity and proved to be one of the biggest men in our country in his particular business, but, although he lived here for twenty-two years, it was only about two years ago that he became naturalized. For my part I should have considered it improper at any time during the lifetime of that gentleman to suggest to him that he should become naturalized; I thought it was something for him to decide in his own mind. For the reasons I have stated, I am opposed to this Bill.

Hon. R. FORKE: Honourable members, I think there are some matters that have not been taken into consideration in the drafting of this Bill. In some ways I rather like it, but in others I do not. I would rather not vote on it at all.

I know that this Bill, if passed, would cause a great deal of trouble. It would be found that a great many people living in the Dominion of Canada never had legal entry here. Such a discovery would cause a great deal of disturbance to people who have lived here perhaps for ten, twelve or fifteen years. Of course it may be said that they might take out naturalization papers and the situation would thus be entirely remedied. This difficulty would not be so serious in Canada, but when the tremendous numbers of Canadians who are living in the United States are considered, it will be realized that the proposed legislation would probably have rather more effect than we have anticipated. I have

often looked at obituary notices, and I have rarely found that a person dying in this country has not brothers, sisters or other relatives living over in the United States, who are not citizens of that country. If the United States should pass an Act such as this, every Canadian living in that country would be called upon to register and to carry an identification card. That legislation would apply to a nation of 110,000,000 people, and it is quite possible that the United States immigration authorities would find conditions there similar to what I said might exist in Canada. It might be found that hundreds and perhaps thousands of Canadians living in the United States have never had legal entry into that country. I am afraid that this might cause a great deal of friction between the immigration authorities of Canada and those of the United States. From experience I know that in immigration matters it is pretty difficult for two nations to deal constantly with each other without friction arising. Great care and caution are required if international friction in regard to immigration is to be avoided. If every Canadian living in the United States should be called upon to sign an identification card, and if it were found, as I am afraid it would be, that a very large number of Canadians in the United States had no right to be there, they would be sent back to Canada. The feeling created by such action would be injurious to the best interests of the two countries. That is the difficulty that I anticipate.

On the other hand, I am quite in sympathy with the idea of aliens, say, from the continent of Europe, who have not taken out naturalization papers, being required to obtain identification cards.

Hon. J. W. DANIEL: Honourable gentlemen, I rise to express in a few words my opinion with regard to this Bill. If American citizens were left out of it entirely, I might be inclined to vote for it; but I share very largely the opinion expressed a few minutes ago by my deskmate (Hon. Mr. Gordon). I know a number of American citizens who have resided in my own city for years and have been in a large way of business, and I do not feel inclined to vote for a measure that would compel them to go to some official and ask for an identification card. I cannot do that. We know very well that a large number of Canadians who have been in the United States for years are not naturalized in that country, and do not wish to become naturalized. They may expect to come back to Canada some time as Canadian citizens. Except for the clause which refers particularly to American citizens, I should be in favour of the Bill; but on account of this clause I shall reluctantly vote against it.

Some Hon. SENATORS: Question!

Hon. R. DANDURAND: Honourable gentlemen, I desire to state my difficulty. I have already asserted that I should view with favour a Bill that would insure control over the transients, of doubtful character, coming into Canada from the south. I see in this Bill nothing which would help in that respect. On the other hand, I observe that Americans who have been with us five years and six months would have to register. I am firmly convinced that most of those Americans who have been with us for more than five years have a good record in this country; yet in this Bill they are regarded as an element that should be obliged to carry identification cards. This is perhaps a weak feature of the Bill. If we are to have no control over Americans who have been in this country less than five years, some of whom may be just the kind of people we need to watch, then those Americans who have been here for a longer time, and whose record is blameless, should not be asked to register.

I do not see why, in a country like ours, it is necessary to exercise pressure upon aliens to induce them to become naturalized. People come and go between one country and another, and yet retain their nationality. If they are good people they are honoured as such. I could name many men who came from Great Britain to the United States twenty-five or thirty years ago and have remained good Britishers. I have in mind two brothers who are at the head of public services in Chicago and have been there for twenty-five or thirty years: one of them has become an American citizen, but the other has remained a British subject. I know of hundreds, perhaps thousands, of Americans who are in various services, industries, or other employment in Canada and who have been here for a number of years. I have been invited more than once to dine with the American colony in Montreal on the fourth of July and have sat among a most respectable group of people. They have even the American Church in Montreal. I am somewhat doubtful of the propriety of disturbing the minds of those good people, and of nine-tenths, I will say, speaking off-hand, of the American population in Canada, who have not seen fit to adopt British nationality.

At the same time I admit that the Bill, in so far as it relates to certain elements that come to Canada from Europe, has some

virtue; therefore I should hesitate to register my vote against it. Inasmuch as the Bill will clearly not become law at this session, I do not think that at this stage we should be asked to array ourselves either in favour of or against it. I believe that this discussion will be beneficial, in that it will draw the attention of the thinking people of Canada to this problem. We might decide to send the Bill back to the committee for further examination, and the committee might continue its labours and endeavour to present to this Chamber, before the end of the session, a Bill amended with respect to the American element that has proven its value by a sojourn of five years or more among us. I offer my suggestion not so much with a view to the immediate modification or amendment of the Bill as because in my opinion no definite advantage would accrue from an alignment pro and con, and we may be able to take up the Bill again next session with greater and better success.

Right Hon. Mr. GRAHAM: Honourable members, I am not sure that I am orthodox.

Hon. Mr. McMEANS: Politically?

Right Hon. Mr. GRAHAM: Usually I am. I am not so sure, however, that men who decide to remain in any country permanently should not become citizens of the country in which they are earning their living. But there arises another question that is incidental to this Bill. Our transportation systems on this continent stretch into both countries, and in the working out of details in the management of those lines men are necessarily transferred from one country to the other. The transfer may not be permanent. They expect to be in one place for five or six years, but in nearly every case they hope to be sent back to their own country. I should not like to see such men compelled to carry registration cards. They have not changed their occupations or their employers.

We in the Senate are proposing, as we have a right to propose, a change in the policy of the Dominion Government in matters of immigration, and it occurs to me that it is the business of the Government to introduce or to take charge of a Bill of this kind, if it desires such a measure. The Government of Canada, backed by Parliament, is responsible for the policy of the country. This Bill is very far-reaching and affects matters that may create discord, or at least friction, and I think that we should be guided a little by what the Government thinks, because it is futile for the Senate to pass such a measure unless it meets with the approval of the Government. My own opinion is that the Government should express its approval or disapproval of this policy, as a guide, because, after all, it is the Government that is responsible in such matters.

Hon. Mr. BEAUBIEN: One thing has struck me very forcibly during this discussion. After all, it is not strange. One senator after another has risen in his place and said: "I am acquainted with many good Americans and I would not impose upon them the obligation of registering and taking out a card." From this it would appear that the members of this House regard this measure from what to me is a quite unexpected viewpoint. This measure was intended for people of a very different kind from those with whom you and I associate. It is all very well for you or for me to stand up in this House and say: "I should not like to displease the excellent company in which I move." But what about the slums?

Hon. Mr. McMEANS: We know them at election time.

Hon. Mr. BEAUBIEN: My honourable friend has had greater experience in that regard than I. Is not lawful order in the slums something that interests us? Those whose duty it is to maintain order in the doubtful strata of the population, and who perforce must live among people that you and I do not know, and probably never will know, want the Bill. That is why it is before you. I respect the sentiments of those who are desirous of not offending people moving in their own circles of society; but I would ask honourable members to give thought to those who have no choice as to the class with which they shall associate.

It seems to me that the answer to the argument about immigration policy being a proper matter for the Government to deal with is clear and unmistakable. The Government is free to accept or to reject this Bill. When the Bill leaves this House is there any danger of its surviving unless the Government is satisfied with it? Why express any doubt as to the propriety of presenting a measure of this kind? Such measures are frequently initiated in this House. Of course they are subject to the approval of the Government. If the Government does not accept this Bill, as is possible for many reasons mentioned in this House, and which I appreciate, it will turn the Bill down. There can be no danger on that score.

This measure has been dealt with to the best of the committee's ability and is now in the hands of the Senate. I know very well

that it has not the ghost of a chance to become law at present. It is too late in the session for that. But it is not too late to obtain the opinions of honourable members of this House, and it is quite possible that such opinions may be of great use in preparing at another session a measure acceptable to all.

Hon. Mr. GILLIS: The honourable gentleman says the Bill has no chance this session. Then why not let it stand over until next session, when we could give it a little more consideration?

Some Hon. SENATORS: Question!

Hon. Mr. BEAUBIEN: I do not know whether I should accept the suggestion that has come from both sides of the House. This is not my Bill.

Hon. Mr. BUREAU: Oh, yes.

Hon. Mr. BEAUBIEN: Oh, no; although I fully approve the measure. I am pleading for the Bill, that is all. I would suggest that the debate be adjourned until to-morrow. Meantime I shall consult my colleagues of the committee, who have taken great pains with this measure, and if they are inclined to have the Bill postponed till next year I shall be very glad to accept the suggestion that has been made.

The debate was adjourned.

CANADA SHIPPING BILL

THIRD READING

Hon. Mr. TANNER moved the third reading of Bill 97, an Act to amend the Canada Shipping Act.

Hon. Mr. DANDURAND: What is the necessity for fixing a date? The section to be amended says:

> Every British subject who served as a master or mate of a sea-going or coasting sailing vessel of over seventy-five tons, gross tonnage, before the first day of January, one thousand nine hundred and twenty, for a full period of twelve months within ten years immediately preceding the date of his application for a certificate of service.

In the Bill before us the only change is in the date, which is the first day of January, one thousand nine hundred and thirty-one.

I confess that I am not familiar with the general economy of the Act; but as we are altering the date now, may we not alter it again in five or ten years, and say, "Before the first day of January, 1941"? If the dates were eliminated it would be a general Act, applicable for all time.

Hon. Mr. TANNER: I had a memorandum yesterday, but the Bill went through without anyone asking for an explanation—

Right Hon. Mr. GRAHAM: Lost your brief?

Hon. Mr. TANNER: —and I did not take up the time of the House in giving one. It was suggested in the other House, I believe, that the matter should be thrown open, as has been suggested by my honourable friend. Under the Merchant Shipping Act the date was fixed as 1920, as is stated in the note. Because of conditions which prevailed no person was taking advantage of the provision of the law to get what is called a certificate of service, and the Act practically went out of operation. Within the last few years, however, a new condition has arisen, particularly in Nova Scotia, which affects the fishing classes on the southern shore of that province. The masters of fishing vessels, who are very competent men, had been devoting most of their time to fishing, but within the last few years the fisheries have not been so profitable and they have been going into the coasting trade and other activities with their vessels. If the law had been a general one they could have got those certificates of service, but to-day they cannot, and the purpose of this Bill is to enable them to secure certificates of service, provided that they can show that within ten years prior to 1931 they have been in command of vessels as sailing masters or chief officers, and can produce satisfactory evidence of sobriety, experience, ability and general good conduct, and can pass the sight test and the prescribed examination in signalling, and so on. Otherwise they would have to go through the long apprenticeship of junior mate and senior mate, and then rise to the rank of sailing master. The whole purpose of the Bill is to aid men who are known to be perfectly competent to handle their ships during the fishing season, and who want the privilege of engaging in the coasting trade during periods when they are not fishing.

The Department of Marine thoroughly approves of the Bill, and the Minister of Marine, who appeared before the committee of the House of Commons, said that the Department was quite satisfied to have the legislation go through.

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

PENSION BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 110, an Act to amend the Pension Act.

He said: Honourable members, this Bill is simplicity itself. It increases the number of members of the Pension Tribunal from nine to twelve.

Right Hon. Mr. GRAHAM: Not the Commission.

Hon. Mr. WILLOUGHBY: I have requested the Deputy Minister, Mr. Scammell, to be in attendance. If honourable gentlemen want any detailed information that is not in my possession, I shall ask the Deputy to take a seat on the floor.

I should like to produce at this time the reply to an inquiry by the honourable senator from Pictou (Hon. Mr. Tanner) bearing on this very subject.

1. What is the total number of applications for pensions disposed of by the Pension Tribunals since they began their sittings to date?

The answer is 2,151.

2. What is the average number of cases per week which the Tribunals have been disposing of?

The present average is 100.

Hon. Mr. GRIESBACH: Is that per day or per week?

Hon. Mr. WILLOUGHBY: Per week.

3. How many of the cases respectively have the Tribunals decided: (a) favourably, and (b) unfavourably to the applicant?

The answer is: (a) 1,036 and (b) 1,115, a total of 2,151.

4. How many of the cases heard by the Tribunals have been appealed: (a) at the instance of the Commission Counsel, and (b) by the applicants?

The answer is (a) 717 and (b) 550.

5. How many cases has the Appeal Court disposed of in the above mentioned period?

The answer is 592.

6. In how many of the cases respectively did the Appeal Court decide: (a) favourably, and (b) unfavourably to the application for pension?

The answer is: (a) 152 and (b) 440.

Hon. Mr. BUREAU: Those were rejected?

Hon. Mr. WILLOUGHBY: Yes, rejected. There were 152 decided favourably to the applicant and 440 rejected.

7. What is the estimated total number of applications undisposed of and now referred to or likely to be referred to the Pension Tribunals?

The answer is 27,678 referred.

8. What is the estimated average number of such applications likely to be disposed of each week by the Pension Tribunals when they are enlarged under the Bill now before Parliament?

The answer is 140. That would be an increase of 40 per week over the average number that the Tribunals have been disposing of to date.

Hon. Mr. DANDURAND: Would the honourable gentleman tell us what period these answers cover?

Hon. Mr. WILLOUGHBY: I presume, from last year.

Hon. Mr. DANDURAND: Since last year's legislation?

Hon. Mr. WILLOUGHBY: Yes.

The first clause of the Bill provides that subsection 1 of section 9 of the Pensions Act shall be repealed and the following substituted therefor:

The Governor in Council may appoint not less than nine and not more than twelve persons to be members of a Pension Tribunal; one of such persons shall be appointed Chairman of the Tribunal, and he and eight members thereof shall hold office for ten years and the other three members for two years, subject only to earlier removal for cause.

Hon. Mr. DANDURAND: I suggest to my honourable friend that the Bill be given second reading and that we go into Committee of the Whole, so that we may take up each clause separately.

Hon. Mr. WILLOUGHBY: That is agreeable.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Gordon in the Chair.

Hon. Mr. WILLOUGHBY: I ask leave for Mr. Scammel to take a seat on the floor.

On section 1—Pension Tribunal:

Hon. Mr. DANDURAND: Will the honourable gentleman explain the necessity of increasing the number of members of the Tribunal from nine to twelve?

Hon. Mr. WILLOUGHBY: The reason is that the Tribunal has been wholly unable to cope with the work. The Bill provides also for an increase in the number of commission counsel. It was stated in one of the answers I read a few moments ago that there were still 27,678 applications undisposed of, that these were being disposed of at the average rate of

about 100 a week, and that with the increase in the membership of the Tribunal it was estimated this average would be increased to 140 weekly. Of course, many appeals are not meritorious. It costs an applicant nothing to appeal after he has made his application. I do not desire to express any criticism at all; I am merely pointing out that an appellant does not incur any expense, for counsel is provided and there are no fees.

Hon. Mr. DANDURAND: When we were dealing with the Pension Bill last year I understood there were a certain number of applications to be dealt with by the Tribunal. Can my honourable friend tell us what that number was, so that we may see what the increase has been under the present law?

Hon. Mr. WILLOUGHBY: There were about 6,000 at that time. There are between 19,000 and 20,000 more now.

Hon. Mr. DANDURAND: Some of those have applied to the Tribunal for reconsideration?

Hon. Mr. WILLOUGHBY: Yes, that is correct. But that number includes the new applicants, of course.

Hon. Mr. DANDURAND: What proportion of those 20,000 applications had already been passed upon and dismissed under the old law?

Hon. Mr. WILLOUGHBY: In round figures possibly 5,000 applicants whose claims were rejected before are now appealing.

Hon. Mr. DANDURAND: And the others felt that under the law as it formerly existed they could not appeal?

Hon. Mr. WILLOUGHBY: I suppose the law has been widened a little as to the burden of proof.

Hon. Mr. KING: May I inquire of the honourable leader whether it is the intention of the Government when appointing three new commissioners to consider those who were formerly members of the Appeal Board and were dismissed last year?

Hon. Mr. WILLOUGHBY: I am not in a position to commit the Government in a discretionary matter of that kind.

Hon. Mr. KING: I thought it would be well to draw attention to it.

Hon. Mr. DANDURAND: I suggest to the honourable leader of the Government that those former members would appear to have two special qualifications. In the first place, I am under the impression that they were returned soldiers; and, secondly, having served for a number of years, they acquired valuable experience. I am speaking generally, and have no particular person in mind.

Hon. Mr. MURDOCK: They have this further qualification, as I understand, that they were appointed for a number of years and because of a change of government were dismissed before they had completed their term. This Bill provides for a ten-year term for nine members of the Tribunal. I understand that some of the former members of the Board had two, three or four years of their term to serve when they were dismissed.

Section 1 was agreed to.

On section 2—Commission counsel:

Hon. Mr. DANDURAND: I suppose that this Tribunal sits in more than one section?

Hon. Mr. WILLOUGHBY: Four.

Hon. Mr. DANDURAND: And they move about the country?

Hon. Mr. WILLOUGHBY: They do.

Hon. Mr. DANDURAND: That would explain the need for the counsel, I suppose?

Hon. Mr. WILLOUGHBY: Yes.

Section 2 was agreed to.

On section 3—application to be made to the Commission:

Hon. Mr. GRIESBACH: Honourable members who heard the figures quoted a short while ago by the leader of the Government must have been impressed with the fact that the present Tribunal, consisting of nine members, has since its inception been disposing of an average of 100 cases a week, or about 5,000 a year. It would appear that the Appeal Court is the neck of the bottle, for in the same period it has disposed of only 592 cases, or only a little more than 10 per cent of the number disposed of by the Tribunal. There are 27,678 cases at present undisposed of. The Bill provides for an increase of three in the membership of the Tribunal, from nine to twelve. It seems to me to be obvious that the estimated average of 140 cases a week will be beyond the powers of the new Tribunal, if nine members can handle only 100 cases a week. It will take the Tribunal over four years to dispose of the present number of applications.

Hon. Mr. GILLIS: And that is without considering new cases.

Hon. Mr. GRIESBACH: Yes. If a bucket of water were taken out of the Rideau Canal and dumped into the Ottawa River,

the volume of water in the Ottawa would undoubtedly be greater, but nobody would be able to notice the increase.

Hon. Mr. DANDURAND: How many years does my honourable friend say it will take to catch up with the applications now on hand?

Hon. Mr. GRIESBACH: It will take four years at the present rate of progress.

Hon. Mr. DANDURAND: It would be interesting to know how many years the applicants have been waiting already.

Hon. Mr. GRIESBACH: That is another matter.

Hon. Mr. WILLOUGHBY: I am told that the Appeal Court has been working only one year.

Hon. Mr. GRIESBACH: That is so. To catch up with the work within the next few months it would be necessary to appoint a hundred new members to the Tribunal. I mention this so that those who are interested in the matter will not be misled by what is merely a gesture.

Section 3, which is now before this Committee, is really important. Prior to the legislation of 1930 there were a Board of Pension Commissioners and an Appeal Board. Under that system the commissioners received applications, heard the applicants, investigated their claims and came to a decision, either favourable or unfavourable. If the decision was unfavourable, an appeal lay to the Appeal Board. Now, a good deal of the pension legislation of last year was not very well digested; it contained some very poor features, which apparently could not be altogether eliminated. Among the mass of that legislation there seemed to be something which relieved the Board of Pension Commissioners of the duty and obligation actually to hear applications, as they formerly did. The Board received the applications: those that were not granted they shipped off to the Tribunal, and it is such applications that now amount to 27,678. The amendments proposed in this section are designed to replace upon the shoulders of the Board the duty and obligation of actually making a complete investigation of each case from start to finish.

Hon. Mr. KING: That is very proper.

Hon. Mr. GRIESBACH: That is provided for in paragraphs (a), (b) and (c) of subsection 1 of new section 51, and in subsection 2, which makes the following further provision:

Should the application be not granted the Commission shall refer the same to the Chief Pensions Advocate and the Chief Commission Counsel for presentation to the Pension Tribunal if the applicant or any person on his behalf duly authorized in writing so requests.

Under the interpretation of the legislation of last year such applications were examined in a cursory fashion and then sent to the Tribunal.

Subsection 3 provides:

The Commission shall reconsider all applications which have been referred to the Chief Pensions Advocate and Chief Commission Counsel between the first day of October, 1930, and the date of coming into force of this Act, in respect to which the Chief Pensions Advocate has not notified the Pension Tribunal that such applications are ready for hearing.

I understand that to mean that all those cases which have been dumped on to the Tribunal since the legislation of that year, and which are not ready for trial, will now go back to the Board of Pension Commissioners for further hearing.

Hon. Mr. WILLOUGHBY: That is correct.

Hon. Mr. GRIESBACH: If that is so, it means the applications are being kicked from pillar to post. I have no confidence that the increase in the membership of the Tribunal will make much difference in the situation. However, the purpose of this section is to put the Commissioners back to the work they formerly did, and to require them to make definite findings, which must be conveyed to the applicants. That is the sounder way of doing things, I think, and it ought to have been provided for last year. But I am not prepared to say to what extent this section will help towards clearing up the present situation.

Hon. Mr. GILLIS: Was that the way it stood before the legislation of last year, largely?

Hon. Mr. GRIESBACH: Largely, yes. While on my feet I will deal with the other clauses. The other items here are more like matters of detail—the calling in of a judge of the Superior or District Court, as I take it, to serve on the Appeal Court, and a reference to the possibility of two members sitting instead of three. If the calling in of an extra judge and the reducing of the court occasionally to two would enable more work to be done, I would support the Bill. I am bound to say I am not wildly enthusiastic about any of it.

Section 3 was agreed to.

Sections 4 and 5 were agreed to.

The preamble and the title were agreed to.

The CHAIRMAN: Shall I report the Bill without amendment?

Hon. Mr. DANDURAND: Before we go out of Committee I would impress upon my honourable friend the importance of appointing to that Board or Tribunal the best men available, because, as has been pointed out by my honourable friend from Edmonton (Hon. Mr. Griesbach), the work is very heavy and it requires considerable courage to expedite it in such a way as to do justice to the applicant and at the same time to the federal treasury. Already thousands of claims have been examined and re-examined. By virtue of the legislation of last year a new opportunity for hearing was granted to many or all applicants. I feel that here is a point in the general financial economy of the country where the officials should have all the necessary qualifications to dispense even-handed justice between the two interests concerned. We all want to do the right thing by the returned soldier, but at the same time we must not forget the horrible abuses we have witnessed during the last fifty years in the United States. We should guard against anything that would lead to such a result as we have seen there. Therefore I would impress upon my honourable friend the necessity of appointing the best men possible to review all these cases.

Hon. Mr. WILLOUGHBY: In answer to the honourable gentleman I would say that I appreciate the propriety and suitability of his comments and counsel, and shall convey the same to the Minister.

The Bill was reported without amendment.

CUSTOMS BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 39, an Act to amend the Customs Act.

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

CONSIDERED IN COMMITTEE—PROGRESS REPORTED

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

Hon. Mr. Gordon in the Chair.

On section 1—discounts:

Hon. Mr. WILLOUGHBY: Apparently the main, if not the only, purpose of this Bill is to see that this country gets the benefit of the full customs duties that should be payable here on the entry of goods from outside. All business men know that deductions from the sale prices are often made when goods are sold wholesale or on commission, and sometimes when they are sold retail. This Bill is to provide that in estimating for duty the value of goods coming into Canada no deduction shall be allowed which is not actually made to customers on sales for home consumption in the country of export. This provision would apply largely in our dealings with the people to the south of us. All deductions must be shown on invoices and must be accounted for absolutely; so the duty will have to be paid in full on the real price of the commodity in the home market. That is virtually the whole purport of this Bill. The amount of the invoice might be less than the actual sale price in the other country. Under this Bill we insist that if there are deductions made to the customer, there must be invoices to show absolutely what is paid by the purchaser in the country other than Canada.

Right Hon. Mr. GRAHAM: That is largely strengthening the Dumping Act?

Hon. Mr. WILLOUGHBY: Yes.

Hon. Mr. BEAUBIEN: May I ask the honourable leader on this side whether this Bill has the effect of changing the penalty for the smuggling of goods to the amount of over $200? Is the law changed in that respect?

Hon. Mr. DANDURAND: We are now on section 1.

Hon. Mr. WILLOUGHBY: We have not got that far. We are now dealing with the ordinary, legitimate dealer.

Section 1 was agreed to.

On section 2—proviso:

Right Hon. Mr. GRAHAM: I understand that the amended subsection refers to wine, fermented liquors, etc., that are being properly imported into Canada, say at Halifax or in New Brunswick, and that by this amendment it is declared that the provisions of the subsection shall not apply.

Hon. Mr. WILLOUGHBY: No, they would not apply.

Section 2 was agreed to.

Section 3 was agreed to.

On section 4—power to examine on oath:

Hon. Mr. WILLOUGHBY: These subsections simply provide machinery for the officers in the carrying out of their duty.

The CHAIRMAN: Is it the wish of the Committee that I should go over these subsections?

Hon. Mr. WILLOUGHBY: No, unless some one objects, because this is the machinery by which they may investigate any complaints.

Hon. Mr. DANDURAND: I see in the note as to section 4 this comment:

Under the provisions of the Customs Act as at present existing no officer of Customs is empowered to examine persons upon oath in the course of any inquiry or investigation. Such inquiries are of frequent occurrence and often take place at points where commissioners or other persons authorized to administer oaths are not available.

Then we have the section:

4. The said Act is amended by inserting the following section immediately after section one hundred and thirty-four thereof:—

"134a. (1) The commissioner of customs, assistant commissioner of customs, any inspector of customs ports, any collector of customs, and the chief of the preventive service and any divisional chief of the preventive service, and any other officer designated by the Minister, may conduct any inquiry or investigation in matters relating to the Customs, and may summon before him any person and may examine him and require him to give evidence orally or in writing, on oath or on solemn affirmation if he is entitled to affirm in civil matters, or by statutory declaration, on any matter pertinent to such inquiry or investigation, and any person thus authorized to conduct an enquiry or investigation may administer such oath or affirmation.

This amendment gives authority to the Minister to appoint one of those officials named.

Hon. Mr. WILLOUGHBY: Yes.

Hon. Mr. DANDURAND: It must be assumed that at all those points men will be found who have the knowledge necessary for the carrying on of such investigation. I am not familiar enough with the Customs service to know whether this provision will work out satisfactorily.

Right Hon. Mr. GRAHAM: In that case would the man who is summoned be allowed to have counsel?

Hon. Mr. WILLOUGHBY: There is no provision for it. I think we shall have to leave something to the discretion of the officer. We must presume that he will carry out the law.

Right Hon. Mr. GRAHAM: The reasonable enforcement of the law?

Hon. Mr. WILLOUGHBY: Yes. I think that can be left to his discretion.

Section 4 was agreed to.

On section 5—territorial waters defined:

Hon. Mr. McMEANS: I have an amendment to propose to section 5. The suggestion is that the section be amended for the purpose of making a clerical correction in its form, so that paragraph (b) will not form part of the new subsection 7 of section 151 of the Act, but will be subsection 2 of section 5 of the Bill.

The CHAIRMAN: Section 5, with this amendment, would then read as follows:

5. (1) Subsection seven of section one hundred and fifty-one of the said Act, as enacted by section one of chapter sixteen of the statutes of 1928, is repealed, and the following is substituted therefor:—

"(7) For the purposes of this section and section two hundred and seven of this Act, 'Territorial waters of Canada' shall mean the waters forming part of the territory of the Dominion of Canada and the waters adjacent to the Dominion within three marine miles thereof, in the case of any vessel, and within twelve marine miles thereof, in the case of any vessel registered in Canada, or any other vessel which is owned by any person domiciled in Canada."

(2) This section shall come into force on a day to be fixed by proclamation of the Governor in Council published in the Canada Gazette.

Hon. Mr. BELCOURT: Unless we have the subsection that is to be repealed, it is pretty difficult to follow what this means. Subsection 7 of section 151 is repealed, but what that provides for is not apparent from the note. It is impossible for me to gather the effect of this repeal.

Hon. Mr. BEIQUE: I understand the suggestion to be merely that section 5 becomes a subsection of 7. Am I correct?

Hon. Mr. McMEANS: I understand that section 5 is divided into two subsections.

Hon. Mr. BELCOURT: Possibly my honourable friend would read the repealed subsection; then I for one might understand the meaning of this.

Hon. Mr. WILLOUGHBY: If it is important we can get it out of the Statutes.

Hon. Mr. McMEANS: I am informed by counsel that the only part of the section that is changed is underlined:

—or any other vessel which is owned by any person domiciled in Canada—

—and that paragraph (b), immediately following, has been added in the Commons. It is not intended that this subsection should be carried into the Act, because when the Act comes into force it will no longer be necessary.

Hon. Mr. HARMER: The amendment now moved is exactly the same as the present subsection of the Bill.

Hon. Mr. McMEANS: The amendment would change only the numbering.

Hon. Mr. DANDURAND: Would you read the last clause as you have it in the amendment, Mr. Chairman?

The CHAIRMAN:

This section shall come into force on a day to be fixed by proclamation of the Governor in Council published in the Canada Gazette.

Hon. Mr. BEAUBIEN: It says "section" instead of "subsection."

Hon. Mr. McMEANS: It refers to section 5 of the Bill. The letters "(a)" and "(b)" are struck out, and instead of paragraph (b), which says that subsection 7 of section 151 of the Act shall come into force on a day to be fixed by proclamation, it says that section 5 of the Bill shall come into force, etc.

The CHAIRMAN: Clause 5 of the Bill is to be struck out? You mean the whole section?

Hon. Mr. McMEANS: The whole thing.

Right Hon. Mr. GRAHAM: This is being done in a most unsatisfactory way.

The CHAIRMAN: Shall section 5 be struck out?

Hon. Mr. DANDURAND: And replaced, as aforesaid.

Section 5, as amended, was agreed to.

On section 6—arrest without warrant for indictable offence:

Hon. Mr. BEAUBIEN: What is the purport of this amendment?

Hon. Mr. DANDURAND: My honourable friend will find it in the explanatory note.

Hon. Mr. BEIQUE: On the page opposite this section of the Bill.

Hon. Mr. WILLOUGHBY: It gives the officers no more power than they had before.

Right Hon. Mr. GRAHAM: It is not confined to offences under the Customs Act; it includes any offence that arises out of the administration of that Act.

Section 6 was agreed to.

Sections 7 and 8 were agreed to.

On section 9—further penalty if value two hundred dollars or over:

Hon. Mr. BEAUBIEN: May I ask why any change has been made here? I understand that there used to be a fixed fine. Now the penalties under clauses 9, 10, 11 and 12 seem to have been changed. Why?

Hon. Mr. DANDURAND: They reduce the prison term and increase the money penalty. My honourable friend perhaps can tell us why men may be condemned to pay a larger amount in fines, while the gaol sentence is reduced.

Hon. Mr. WILLOUGHBY: It is because of the lenity of juries and that trait of human nature which makes one hesitate to "sock"—to use the vernacular—a man with a long gaol term, though it does not prevent the imposition of a heavy fine. It is thought that by reducing the term of imprisonment we are more likely to get a proper decision from a jury. I am reminded also that the number of peremptory challenges allowed under the Code is based on the period of imprisonment that can be imposed.

Hon. Mr. BEAUBIEN: I understand that under the law as it was before, the judge had no latitude. Is that right? The law said that on conviction a man would be liable to a fine of $500, or to imprisonment for a term not exceeding seven years.

Hon. Mr. DANDURAND: And not less than one year.

Hon. Mr. BEAUBIEN: That is not my point. The amendment says that a person shall be liable to a penalty "not exceeding $1,000 and not less than $200." Previously there was a fine of $500. I very well remember that when these articles were amended before, there was a prolonged discussion in this House. At that time, if I remember rightly, the smuggling of silks was taking place on a very large scale. Truckloads of silks came into the city of Montreal. One truck was seized in a lane somewhere at the back of Morgan's, and a severe fine was imposed. Since that time such smuggling has ceased, I understand. I am informed that those who suffered from that kind of smuggling in the past are fearful of this fine being reduced. I should like to know why it is being reduced from a fixed sum of $500 to a minimum of $200.

Hon. Mr. WILLOUGHBY: How about the prison term?

Hon. Mr. BEAUBIEN: It is not imposed.

Hon. Mr. McMEANS: The explanatory note states that—

Under the provisions of the Criminal Code, Sec. 932, every one indicted for an offence for which he may be sentenced to imprisonment for more than five years, is entitled to challenge twelve jurors peremptorily, whereas if the maximum term of imprisonment is less than five years, he is entitled to challenge only four

jurors peremptorily. No penalty of imprisonment for over four years has ever been imposed, and by reducing the maximum to four years it will be made more difficult for a defendant by exercising his right of peremptory challenge to select a jury to his liking.

The money penalty should range from a maximum of $1,000 to a minimum of $200, the latter being the maximum for the lesser offence where value is under $200.

Hon. Mr. DANDURAND: I am glad to know that my honourable friend from Montarville (Hon. Mr. Beaubien) finds some virtue in the legislation which was brought forward by the previous Government. I remember that in 1925 I had considerable difficulty in inducing some of my honourable friends to accept that legislation. We had to go to Committee in order to show the great evils that it was hoped the proposed legislation would cure. I am happy to learn that that legislation was effective, and I hope this will not impair it.

Hon. Mr. BEAUBIEN: The explanatory note applies to the term of imprisonment, but not to the fine.

Hon. Mr. McMEANS: See the last two lines, and the explanation of section 11.

Hon. Mr. BEAUBIEN: You are doing away with the maximum?

Hon. Mr. McMEANS: Where the value of the goods is over $200 the fine ranges from $200 to $1,000.

The CHAIRMAN: Shall section 9 be adopted?

Hon. Mr. BEAUBIEN: Let us consider 9, 10, 11 and 12 together.

Section 9 stands.

On section 10—further penalty if value two hundred dollars or over:

Hon. Mr. BEAUBIEN: Will you read that, Mr. Chairman?

The CHAIRMAN:

10. Paragraph (b) of subsection two of section one hundred and eighty-nine of the said Act is repealed, and the following is substituted therefor:—

"(b) If the value for duty of the goods is two hundred dollars or over, be guilty of an indictable offence and liable on conviction to a penalty not exceeding one thousand dollars and not less than two hundred dollars, or to imprisonment for a term not exceeding four years and not less than one year, or to both fine and imprisonment."

Section 10 was agreed to.

On section 11—further penalty if value two hundred dollars or over:

Right Hon. Mr. GRAHAM: Is there any difference between 10 and 11?

Hon. Mr. BEAUBIEN: No. 11 is an exact repetition of No. 10, is it not?

Hon. Mr. McMEANS: They relate to different sections of the Act.

Hon. Mr. BEAUBIEN: But the penalty is exactly the same.

Hon. Mr. WILLOUGHBY: It looks like a repetition, but different sections are amended.

Section 11 was agreed to.

Section 9 (reconsidered) was agreed to.

Section 12 was agreed to.

On section 13—vessels used in conveying liable to forfeiture:

Hon. Mr. DANDURAND: To what do the words "or subsequent transportation" apply?

Hon. Mr. WILLOUGHBY: If the goods were taken off a boat and put into a truck, this would apply.

Section 13 was agreed to.

Sections 14, 15 and 16 were agreed to.

On section 17—persons smuggling goods in company:

Right Hon. Mr. GRAHAM: It looks to me, Mr. Chairman, as if this were carrying the penalties a little too far. The proposed section says:

If any two or more persons in company are found together, and they or any of them have any goods liable to forfeiture under this Act, every such person having knowledge of the fact is guilty of an offence and punishable in accordance with the provisions of this Act as if the goods were found on such person.

Suppose that two ladies travelling together are over in an American city and one of them purchases a dress or two. If the other one knows this but does not tell—and maybe if she does tell—she is liable to be indicted for having committed an offence, although she is not a party to the transaction at all and has committed no offence. They are merely travelling together.

Hon. Mr. McMEANS: If you read the explanatory note you will find that this is not as drastic as the present law.

Right Hon. Mr. GRAHAM: The explanatory note does not satisfy me at all. It is only an explanation. This will become the law if we pass it.

Hon. Mr. McMEANS:

Under this section a person would be guilty of an indictable offence even if the value for duty of the goods were less than two hundred dollars. This is not desirable, but the person should be punishable in accordance with the

provisions of section 217, which provides for a summary conviction where the goods are under the value for duty of two hundred dollars.

Under the existing law one would be in a worse position.

Right Hon. Mr. GRAHAM: I am thinking only of the law that we are now considering. If two gentlemen were in New York—if, for instance, my two honest looking Western friends opposite were in New York travelling together, and one of them, to the other's knowledge, bought a watch and smuggled it into this country, the one who did not have the watch would be liable to punishment, although he had had nothing to do with the transaction. The inference is that a man could be punished because he would not tell on his friend.

Hon. Mr. DANDURAND: One is judged by the company one keeps.

Right Hon. Mr. GRAHAM: To my mind that is not justice.

Hon. Mr. McMEANS: I quite agree with my right honourable friend, but that law is already in force. This clause does not make a new law in that respect.

Right Hon. Mr. GRAHAM: We are amending the former law and making a new one.

Hon. Mr. McMEANS: This makes the punishment easier.

Hon. Mr. WILLOUGHBY: This mitigates it.

Right Hon. Mr. GRAHAM: To my mind it is not just at all. I despise an informer. This section would penalize an honest man who refuses to follow the example of his pal and smuggle something into the country. A man who has done nothing wrong would be indicted because his companion was convicted. I am altogether opposed to that clause.

Hon. Mr. BELCOURT: I am entirely in agreement with by right honourable friend. Unless a travelling companion aids and abets his friend to smuggle something, he is surely not guilty of wrongdoing.

Hon. Mr. McMEANS: He must have knowledge of the act.

Hon. Mr. BELCOURT: In the hypothetical case which the right honourable gentleman cited, one of the men might be aware that his friend smuggled the watch, but unless he aided and abetted his friend in smuggling it he is surely not guilty of any offence against the law.

Hon. Mr. McMEANS: He would be, under the present law.

Hon. Mr. BELCOURT: Yes, as the law stands at the present time. But it appears to me that, for the reasons indicated, we should not perpetuate this legislation.

Right Hon. Mr. GRAHAM: A lady in Brockville, let us say, might be asked to accompany a neighbour on a trip to Ogdensburg. The neighbour might buy some goods in Ogdensburg and smuggle then into this country. Her companion would be perfectly innocent and would have done no wrong, but because she was with someone who did wrong she would be liable to punishment. I do not think there is any principle of justice in that.

Hon. Mr. McMEANS: I do not think that is the intention of the law at all. I think this section is meant to apply where one person smuggles goods and the other keeps a lookout.

Hon. Mr. WILLOUGHBY: Are there any records of convictions under this section?

Hon. Mr. McMEANS: I do not know of any case. I was in Buffalo the other day and heard of a man who took his car across the line for repairs to the factory where it was built. Later he brought the car back to Canada, and the Customs officers seized it because he had not reported the repairs.

Right Hon. Mr. GRAHAM: He brought over some goods himself. But suppose a companion riding in his car were indicted, that would be similar to the cases I was suggesting.

Hon. Mr. McMEANS: He did not import any goods.

Right Hon. Mr. GRAHAM: They were on the car.

Hon. Mr. McMEANS: But he did not import the labour.

Hon. Mr. WILLOUGHBY: This is a very drastic clause. I do not remember that it came up last year. I have not heard of any injustice or hardship occurring because of it. Nothing of the kind has come to the attention of the Department, so far as I know.

Right Hon. Mr. GRAHAM: My family never smuggle anything. If they buy anything in the United States they report it. Suppose Mrs. Graham happened to go to Ogdensburg with a neighbour, and that neighbour bought a dress there and smuggled it. It would seem to me a great injustice that Mrs. Graham should be indicted simply

because she knew of the smuggling, when all her life she has honestly acted on the principle that imported goods should be reported.

Hon. Mr. LEWIS: I fully agree with my right honourable friend from Eganville, and I suggest that all the words after "repealed," in the second line of section 17, be stricken out.

Right Hon. Mr. GRAHAM: I suggest that this section stand and that the leader of the House should consult the Government about it, in view of the strong objections that have been taken here.

Hon. Mr. WILLOUGHBY: That would be quite agreeable. The section is very drastic.

Hon. Mr. McMEANS: I am afraid that my right honourable friend from Eganville is a little bit exercised over this matter on account of his proximity to the border.

Right Hon. Mr. GRAHAM: Well, the matter comes under our notice a good deal.

Section 17 stands.

Sections 18 and 19 were agreed to.

Hon. Mr. WILLOUGHBY: Then only section 17 stands?

Right Hon. Mr. GRAHAM: That is the only section I object to.

Progress was reported.

SAFETY OF LIFE AT SEA AND LOAD LINES CONVENTIONS BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 96, an Act respecting the International Convention for the Safety of Life at Sea signed in London on the thirty-first day of May, 1929, and the International Convention respecting Load Lines signed in London on the fifth day of July, 1930.

He said: I do not suppose it will be necessary to go into Committee on this Bill. If the House is agreeable, I shall read a memorandum that I have here:

This Bill, as indicated by its title and as provided more specifically by section 2 thereof, has for its object the ratification of two international conventions respecting shipping.

One of these, set out in schedule 1 to the Bill, is known as the International Convention for the Safety of Life at Sea, and was signed at London on the 31st day of May, 1929; the other, known as the International Convention respecting Load Lines, was signed at London on the 5th of July, 1930.

A provision of the first of these conventions is that it shall be effective as from July 1, 1931, provided the requisite number of ratifications shall have been effected before that date. The other is not to become effective until on or after July 1, 1932.

It will be useful at this point to refer as briefly as I can to the steps that led up to the conclusion of these two conventions. I shall for that purpose deal first with the Safety of Life at Sea Convention.

It will doubtless be within the recollection of many honourable members that following the disaster to the steamer "Titanic" in the month of April, 1912, there was a general awakening of all the nations, in the interests of humanity, to the necessity of examining with the greatest care and thoroughness the possibility of strengthening the then existing measures providing for safety of life at sea. Almost immediately following that disaster, inquiries into the causes that led to it were instituted by Great Britain and the United States. On behalf of Great Britain the inquiry was conducted by a board under the chairmanship of the late Lord Mersey. So complete and comprehensive was the report of this board that it at once arrested the attention of the whole civilized world and made abundantly clear the fact that the time had arrived for action on the part of maritime nations. The British Government was so profoundly impressed by the report of Lord Mersey that it hastened to take action, and accordingly issued invitations to all the maritime nations to come together for the purpose of devising, if possible, means for the greater security of those who were travellers by sea and also of those whose calling was of the sea. As illustrating the purpose that the Imperial Government had in mind in calling this conference, I quote the following extract from the invitation issued to the several nations:—

"It would be the object of the conference to endeavour to bring about agreement among the participating states with reference to the conditions necessary for safety to be laid down in the case of passenger steamships, and with reference to other measures in the interests of the safety of maritime passenger traffic. In the event of such agreement being arrived at and embodied in a convention, each signatory state would be responsible for giving legislative and administrative effect to the provisions of that convention and issuing the necessary certificates to its national ships which comply with those provisions. The conference would further deal with the conditions under which certificates so issued should be accepted as valid by the other signatory states."

Canada was represented at that conference, which met in London on November 12, 1913. The result of the conference was embodied in a convention concluded and signed on January 20, 1914. The parties to this convention were: the British Empire (including Canada, Australia and New Zealand), Germany, France, United States of America, Austria-Hungary, Italy, Spain, Sweden, Norway, Holland, Belgium, Denmark, Russia and Japan. It was agreed at the time that the convention should, if ratified by the signatory nations, come into force on July 1, 1915. Meantime war broke out and for quite obvious reasons that convention never became effective. The position, therefore, prior to the conference of 1929, was that while an international standard on many points for ocean going passenger ships had been agreed to in 1914, it had not been put into operation as such. In the intervening period marked advances had been made both in the types and methods of construction, and much additional experience had been gained by all the maritime powers.

The British Board of Trade in 1927 submitted to the nations that had signed the convention of 1914 a memorandum showing in some detail the work that had been done in the United Kingdom on the subjects covered by the convention, and putting forward tentative suggestions for its amendment and for the holding of an international conference to consider the matter. The Board of Trade pointed out in this memorandum that their proposals were based on technical considerations only, which should be the same for all ships of the same class, whatever flag they fly, and should, if they were well founded, provide an adequate basis for discussion. All the maritime nations agreed to the holding of a conference, and one was convened in London on April 16, 1929. Canada was again represented at that conference, which was organized under the presidency of Vice-Admiral Sir Herbert W. Richmond. When the conference met it had before it a mass of valuable information derived from actual experience gained on the ships of all nations during the previous fifteen years. Therefore it was that the conference of 1929 set to work under conditions more favourable than those of 1913-14.

Following the method adopted at the conference of 1913-14, the conference of 1929 undertook, through five committees, a detailed examination of the problem before it, under the following headings: construction, life saving appliances, radio-telegraphy, safety of navigation, certificates. The work of the conference was completed on the 31st of May, 1929, and the convention now submitted for ratification was signed on that date by the following nations: Germany, Commonwealth of Australia, Belgium, Canada, Denmark, Spain, the Irish Free State, the United States of America, Finland, France, the United Kingdom of Great Britain and Northern Ireland, India, Italy, Japan, Norway, the Netherlands, Sweden, and the Union of Socialist Soviet Republics.

I shall not deal at length or in detail with the articles of the convention. The primary object of these articles is to provide greater safety of life at sea. They cover methods of construction, life-saving appliances, radio-telegraphy, safety of navigation, and certificates. It was arranged that two years should elapse between the signing of the convention and its coming into force. This was in order that all interests affected should have ample opportunity of studying its provisions. There is no record of exception having been taken by any interest to any of the provisions of the convention. From this fact it may be assumed that the requirements laid down in the convention meet the general approval of the nations and may now be submitted for ratification by this Parliament. May I quote an extract from what Sir Herbert Richmond said when submitting the convention to the conference for adoption:

"When I come myself to review this brief summary I have attempted of the work done, I feel that some of you may feel disappointed at not seeing particular measures to which you may have attached special importance, embodied precisely in the form you desired. But against that I would ask you to bear in mind how much the convention as a whole owes to the frank manner in which you have dealt with one another throughout the conference. You have pooled your knowledge; you have tested it by the experience of all. Far more, I need hardly remind you, can be done by the nations acting together than by the separate action of any single nation.

"I now submit the convention for your approval. I do so with confidence, in the firm belief that your labours will produce the results at which we have aimed—increased safety of life at sea without the imposition of burdens upon shipping which might injure that great, that superlatively important industry. Every proposal has been subjected to a scrutiny of the most rigorous nature. The advances which the convention makes are, I venture to think, profitable to the world at large."

May I also quote an extract from the speech of Senator Rio, head of the French representatives, who spoke not only for his own group, but at the special request of all the delegations, in support of the convention:

"As you have rightly observed, the new convention represents a great charter from which the most satisfactory results may be expected in international relations. By fixing the minimum conditions of safety applicable to all, the convention will henceforward avoid the difficulties which at any moment might arise from the divergencies existing between the maritime legislation of different countries.

"It constitutes not only a general agreement of the utmost value; it is, above all, a great work of humanity.

"Perfection in the construction of ships; elaboration of detailed and strict rules for preventing the occurrence of accidents of every sort; determination of the type and number of life-saving appliances, ensuring the maximum efficiency in case of shipwreck; such are the fundamental bases of the work which we have built up.

"This convention goes still further. It involves in many places, and especially in the chapter on radiotelegraphy, the application of a new and important principle of solidarity at sea. This time we have not been content with increasing the safety of the ship, strengthening the rules regarding construction and increasing the means of safety for passengers and crew. Henceforth each ship is given a general disinterested mission of lifesaving and assistance to other ships, which constitutes a generous and fruitful innovation, a valuable example of the great brotherhood of the sea."

The rest of the memorandum deals with load lines. I shall read it, if the House desires, or place it on Hansard.

Right Hon. Mr. GRAHAM: Place it on Hansard.

Hon. Mr. WILLOUGHBY: All right.

The rest of the memorandum follows:

The shipping interests of all the nations have long desired uniformity in the assignment of load lines to merchant ships. The British Government appointed a committee in 1927 to study the whole question of the assignment of load lines and report its findings. That committee reported in 1929, and its report was submitted to the Governments of the several maritime nations for further study and consideration. The British Government subsequently issued an invitation to the Governments of the nations interested to send representatives to an international conference to be held in London. The invitation was accepted and accordingly a conference convened in London on May 20, 1930. The Government of Canada was represented at this conference, which was presided over by

Admiral Sir Henry F. Oliver, the head of the British delegation.

Altogether representatives of thirty Governments were in attendance at the conference, which continued to sit until July 5, 1930, when the convention which this Bill proposes to ratify was approved and signed by the accredited delegates of all the nations represented. These were: Germany, Commonwealth of Australia, Belgium, Canada, Chile, Cuba, Denmark, the Free City of Danzig, Spain, the Irish Free State, the United States of America, Finland, France, the United Kingdom of Great Britain and Northern Ireland, Greece, India, Iceland, Italy, Japan, Latvia, Mexico, Norway, New Zealand, Paraguay, the Netherlands, Peru, Poland, Portugal, Sweden, and the Union of Socialist Soviet Republics.

It should be kept in mind that the assignment of load lines is primarily for the protection of human lives. All other considerations are secondary to this first and great purpose. As in the case of the Safety of Life at Sea Convention, the best methods of ship construction were thoroughly considered, and the convention in this respect represents the combined experience of the technical experts of all the nations. It also provides the manner in which ships shall be equipped and manned. The convention divides the oceans and seas into seasonal zones. This division was determined, not on economic grounds, but strictly on meteorological records of storms and hurricanes in the several areas over a period of more than twenty years.

Canada is interested in all the zones into which the oceans have been divided, by reason of the fact that as time goes on our ships and our men will be found on all the oceans, in all seasons. We are especially interested in the zones in the North Atlantic and North Pacific oceans. In the North Atlantic the southern boundary of the seasonal winter zone is a line drawn from the east coast of North America along the parallel of latitude 36° north, to Tarifa in Spain. In this zone there will be six months summer and six months winter for the purpose of load line. That is, slightly deeper loading will be permitted during the period from the 16th of April to the 15th of October than during the remainder of the year. This division, it will be seen, places the ports of St. John, Halifax, Sydney, Montreal and Quebec in the same area and subject to the same considerations as the United States ports of Portland, Boston, New York, Philadelphia, Baltimore, etc. The convention also provides that in this zone the summer season is extended one month for ships loading for Southern ports.

In the North Pacific the southern boundary of the seasonal winter zone is a line drawn from the east coast of Korea along the parallel of latitude 35° north to the west coast of Honshiu, Japan, and from the east coast of Honshiu along the parallel of latitude 35° north to longitude 150° west and thence along a rhumb line to the west coast of Vancouver Island at latitude 50° north. Thus it will be seen that the ports of Vancouver and Victoria, and the west coast of Vancouver Island as far north as 50°, will for certain voyages be in a permanent summer zone. The same condition applies to Prince Rupert for vessels taking the inside passage. Representations have been made to me to the effect that the northern boundary of the permanent summer zone in the North Pacific should be extended to include Prince Rupert. I am advised that that issue was raised in London during the conference, but it was pointed out that there was great difficulty in extending the permanent summer zone to approximately 54° north on the Canadian coast while the northern limit on the Japanese coast was 35° north. It was further pointed out that any difficulty in this connection could be overcome by using the inside channel.

The convention as signed does not apply to the Great Lakes. This omission has attracted attention and representations have been made regarding it. The exclusion of the Great Lakes was made at the instance of the United States delegation and on the request of the Government of that country. The existing legislation authorizing the assignment of load line by the United States authorities expressly excludes the Great Lakes. The matter was the subject of discussion between the Canadian and the American delegations at the conference. The desirability of marking vessels trading on the Great Lakes was conceded and it was informally understood that the question of making arrangements to that end would at an early date be brought to the attention of both Governments.

The convention as now submitted for ratification has been before interested parties for over six months, and so far as the Marine Department is concerned no serious objection has been voiced to any of its provisions. As already pointed out, the main purpose is not to expedite commerce, although the importance of that is not lost sight of, but to provide greater safety for human lives. The president of the conference, Admiral Sir Henry F. Oliver, in submitting the convention for the approval of the delegates said:

"It has been our aim and purpose to complete the work in the spirit that actuated the conference of 1929, and if, as I hope and believe, we have accomplished that aim, we shall in the two conventions have indeed a Great Charter placing the international overseas trade on a basis of safety such as has never hitherto been obtained."

It is in the same spirit that this Bill is now presented.

Hon. Mr. DANDURAND: Honourable members of the Senate, this piece of legislation is of considerable importance, but it follows a line to which the world to-day is becoming accustomed, that of co-operation in international matters. Innumerable problems that cannot be dealt with by any nation alone can be grappled with and solved by all the nations acting together. This is one of the important matters in which nations must unite to lay down rules which shall govern all. An effort is now being made to extend this principle to land questions, and more and more we shall see co-operation become the general law of nations.

I am happy to note that the United States occasionally joins with the rest of the world in international co-operation.

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

THIRD READING

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

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

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

THE SENATE

Thursday, July 23, 1931.

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

Prayers and routine proceedings.

VIMY REALTY COMPANY, LIMITED

INQUIRY

Hon. A. B. GILLIS inquired of the Government:

1. What properties, if any, are leased by Government or departments of Government from the Vimy Realty Company, Limited, of Ottawa?
2. What is the date of each lease, the term for which it runs, and rental payable under it?
3. What is the space or floor area covered by each lease?
4. Where are the head offices of the company; and who are its directors and officers, and shareholders?
5. If there is correspondence relating to the respective leases, will the Government lay copies on the table of the Senate?

Hon. Mr. WILLOUGHBY: I beg to present the answer to the honourable gentleman's inquiry, as follows:

1. Whole four-storey reinforced concrete building and annex situated at 362-374 Sparks St., Ottawa.
2. (a) December 4, 1925; (b) five years from September 1, 1925, renewed to September 1, 1935; (c) $16,000 per annum.
3. 26,500 square feet.
4. (a) 18 Rideau St., Ottawa; (b) lease signed by Vimy Realty Co., Ltd., Paul Leduc, President, and Evelina Thériault, Secretary-Treasurer. No information as to directors and shareholders.
5. Yes.

CANADIAN NATIONAL RAILWAYS AND DOMINION HIGHWAY

DISCUSSION AND INQUIRY

Hon. RUFUS POPE rose in accordance with the following notice:

That he will call the attention of the Government to the desirability of taking over portions of the Canadian National Railway lines to form part of the proposed Dominion Highway across Canada, and will inquire whether any investigations have been made with this object in view.

He said: Honourable senators, I desire to call the attention of this House, and of the Government in particular, to certain conditions, which perhaps are extraordinary, now facing the railway companies in Canada. It is a very long time since railway building began in Canada. It started as far back as 1836 in and around the city of Montreal, and in 1852 in certain parts of Ontario. For a long time afterwards a railroad was thought to be the most advanced means of transportation that could possibly be conceived. Perhaps there was a time when no honourable member of this House imagined he would live long enough to discover that railways could be too numerous.

From the point of view of national importance, railroad construction in Canada may be divided into three periods. In the first period, for the purpose of conveying products of the Maritime Provinces to the centre of Canada, the Intercolonial Railway was built, in addition to the canal system, which was designed for the transportation of goods to Ontario and the West, and which, as it has turned out, has also been used for shipments from the West eastward. The Intercolonial, like the canal system, was never expected to be a paying proposition, and all attempts to make it pay have failed. As I have stated in this honourable House before, I am entirely opposed to having the Intercolonial utilized for any other purpose than developing the Maritimes, benefiting the industrial life of those provinces, and conveying to them certain necessary agricultural products that are grown farther west. American railroads give a discount in freight rates on eastern products going westward beyond Chicago, and we could follow a similar principle in the operation of the Intercolonial.

The next important development was the building of the Canadian Pacific Railway, for which the Conservative Party was responsible. The party to which honourable gentlemen opposite belong did not support that undertaking in its early days; it severely criticized every inch of construction and every measure that was adopted to help the project along.

Then the provinces started to build railways, giving them provincial charters. Nearly all those roads have been unable to carry on independently and have had to be grafted on to one or other of the national systems.

The old Grand Trunk Railway preceded the Canadian Pacific, but it could not be called a national road, although it was aided with the money of Canada.

Then we come to the construction of the Grand Trunk Pacific and the Canadian Northern, both subsidized by the Liberal Government of the time. Neither road could be successfully operated as an independent system, and both had to be taken over by the people and hand-fed. After the charters for those roads were granted by Parliament I took the opportunity of visiting Sir William Van Horne. I asked him what he thought the destiny of the railways would be, and he predicted just what has happened. He told me that the country would have to assume the ownership and operation of them, and that until this was done they never could be successful or even properly finished. I said, "Sir William, what further would you prophesy?" "Well, Rufus," he replied, "it may not be in my time or in yours, but in your children's day every railroad in Canada will have to be transferred to the nation and operated by a national organization." That was before the days of gasoline and its use in this country as a fuel for transportation purposes. At the present time, as all honourable members know, gasoline-propelled vehicles are very strong competitors of the steam railroads.

About fifteen years later I was visiting Sir Thomas Shaughnessy. It was perhaps one of the last times he was in his office as the head of the Canadian Pacific Railway. I said: "You will soon be leaving here, Sir Thomas. You have been here very many years." He said: "I am practically through, Rufus. I have created my organization, and I shall not be in charge of it much longer." I said: "I want to ask you a question. What do you think the destiny of the railroads of Canada will be?" He replied, "Rufus, the time is not very far distant when they all will have to be taken over and operated by the nation."

Now we have come to a fourth period in our transportation history, the proposal to build the Dominion Highway. Of course, only gasoline-propelled vehicles will be driven over that road. Large portions of it have already been constructed in practically all the provinces, but they have to be connected and amalgamated in order that a national system may be completed. I should like, therefore, to inquire of the Government whether some portions of the Canadian National Railways cannot be taken over and made part and parcel of this great highway which is to be established. For instance, from Fort William to Winnipeg, a distance of nearly five hundred miles, there are the old Canadian Northern Railway, the Grand Trunk Railway, and the C. P. R.—three lines where one is quite enough. Would it not be well for the Government to take over one of those roads, thus eliminating the cost of maintaining and repairing it as a railway line, and convert it into a link in the highway system? If there is any truth in the statement that the Hudson Bay Railway is going to transport products for shipment to the British Isles and Europe, it is high time for the Government to consider a curtailment of expenditures on the operation of railroads in that central section of the country. Furthermore, there are other portions of these transcontinental lines that might be used in connecting up various sections of the highway. I do not know whether the Government has given thought to this possibility or not, but it seems to me that from an economic and practical viewpoint it would be well worth its while to do so. It was for this reason that I placed my notice on the Order Paper. The federal authorities, along with the provinces, and even some municipalities, have a share in the responsibility for the completion of this highway system, the burden of which is going to bear upon all the citizens of Canada. I think, therefore, the Government should seriously consider the question whether or not it can profitably make use of certain sections of railway in the way I have suggested.

I thank you very kindly, honourable gentlemen, for the attention that you have given me.

VIMY REALTY COMPANY, LIMITED

MOTION FOR RETURN

Hon. Mr. GILLIS moved:

That an Order of the Senate do issue for a Return of all correspondence, reports, etc., relating to leases between the Government and Vimy Realty Company, Limited, for properties in Ottawa.

The motion was agreed to.

AUSTRALIAN TRADE AGREEMENT BILL

FIRST READING

Bill 123, an Act respecting a certain trade agreement between Canada and Australia.—Hon. Mr. Willoughby.

SECOND READING

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

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

PENSION BILL

THIRD READING

Bill 110, an Act to amend the Pension Act.—Hon. Mr. Willoughby.

CUSTOMS BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 39, an Act to amend the Customs Act. —Hon. Mr. Willoughby.

Hon. Mr. Gordon in the Chair.

Hon. Mr. WILLOUGHBY: Honourable members, I ask permission to bring Mr. Blair of the Customs Department before the Committee.

Right Hon. Mr. GRAHAM: He need not come now.

Hon. Mr. WILLOUGHBY: He told me that he had seen the right honourable gentleman and had satisfied him.

Right Hon. Mr. GRAHAM: I am not sure that he has satisfied me, but he has seen me.

Hon. Mr. WILLOUGHBY: We shall not keep him very long.

On section 17—persons smuggling goods in company:

Hon. Mr. WILLOUGHBY: Mr. Blair is here in response to an inquiry with reference to an innocent person in the company of a person who is guilty of smuggling, both being liable to arrest under the Act as it stands. I am instructed by him that the provision is strictly preventive and would come into use on very rare occasions. For instance, it might happen that of two persons in a boat one would be actively engaged in smuggling liquor into the country, and the other would be managing the boat. The second person, although not actually smuggling, would be providing a means to bring the smuggler to the place where the offence could be committed. The whole object of this provision is to cover such a case.

Right Hon. Mr. GRAHAM: I appear to have been somewhat of an obstacle in the way of the passage of this section yesterday. I must say that I do not like it. I have not been converted to a belief in this kind of legislation. It is true that in its wickedness the present section is not as bad as its predecessor, because under the old section an innocent person could be charged with an indictable offence, no matter what the value of the goods might be. Under this section the smuggled goods must have a value of $200 before a person can be charged with such an offence. Even under this provision, however, it would be possible, I think, to put innocent people to a great deal of annoyance, and perhaps to hale them into court. My honourable friend the leader of the Government (Hon. Mr. Willoughby) does not understand this provision quite as I do. In the case he gives of a man plying a boat, the boat would be liable to seizure, and the man would be punishable for having furnished a means of smuggling the goods; but if an innocent passenger went for a ride in that boat he would be liable, although he might have nothing whatever to do with its operation or ownership.

Hon. Mr. ROBERTSON: He is "taken for a ride."

Right Hon. Mr. GRAHAM: I think the legislation is wrong; but I was honoured with a visit from Mr. Blair this morning, and he was so honest in his contention about this Bill, and gave such an explanation of it—possibly it would not be in the public interest to place the explanation on Hansard—that I will not oppose it any further. I think, however, that we ought to be able to curb smuggling without laying an innocent person open to even annoyance. I am told that no innocent person has ever been prosecuted or indicted under this provision, and that it is intended largely for special cases which the Customs Department has great difficulty in handling. Under these circumstances I will not object further, although maintaining my right to raise a row next session if the Customs Department bothers innocent persons.

Hon. Mr. BELCOURT: I joined my right honourable friend yesterday in his objection to this provision. I, too, have had the advantage of a discussion with Mr. Blair, who came to speak to me about the matter after yesterday's adjournment. I have not changed my opinion as to making a person criminally liable though he takes no share whatever in the crime alleged against his companion; but, after hearing Mr. Blair's explanation of the need, in the administration of the Act, for such a provision as a preventive of smuggling, and his assurance that the officers of the Department think it should be retained, but that care will be taken not to injure innocent persons, I follow the example of my right honourable friend and withdraw my objection.

Hon. Mr. McMEANS: I should like to ask the leader of the House whether the Customs officials give instructions to their subordinates in regard to the carrying out of this pro-

vision, or whether it is left to individual Customs officials to use their discretion as to making an arrest. If the Act is administered in the manner that has been suggested, there may not be any danger. On the other hand, if the arrest depends upon the judgment of the individual Customs official, a great injury may be done to some innocent person.

Hon. Mr. WILLOUGHBY: I am advised that there has never been a prosecution without the consent of the Department; therefore the Department has been consulted.

I thank honourable gentlemen for the attitude they have taken in regard to this matter. Next year, I dare say, it will come up again.

Hon. Mr. McMEANS: Does the honourable gentleman mean that there has never been an arrest?

Hon. Mr. LEWIS: I understand the explanation by the honourable leader of the Government, but it seems to me that the section is not well drawn, and that the proper thing to do—perhaps not now, but at some future time—would be to insert a provision that the section is not to apply to any person using a common public conveyance, such as a train or a steamboat.

Hon. Mr. McMEANS: Has no arrest ever been made without the sanction of the Department?

Hon. Mr. WILLOUGHBY: I am informed that there has been only one arrest, and that with the consent of the Department here. The case is pending at the present time.

Hon. Mr. McMEANS: Could an arrest be made without the consent of the Department?

Hon. Mr. WILLOUGHBY: Not without the Department first being consulted.

Hon. Mr. ROBINSON: Suppose a person bought a packet of cigarettes—

Hon. Mr. McMEANS: If the honourable gentleman bought them, and I was with him, I might be arrested.

Right Hon. Mr. GRAHAM: No. The value would be under $200.

Section 17 was agreed to.

The preamble and the title were agreed to.

The Bill was reported, as amended.

THIRD READING

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

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

ROOT VEGETABLES BILL

CONSIDERATION OF MESSAGE FROM COMMONS

The Senate proceeded to consider a message from the House of Commons disagreeing to the amendment made by the Senate to Bill 87, an Act to amend the Root Vegetables Act.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, you will remember that when the Root Vegetables Bill first came before this House the honourable member for Queen's (Hon. Mr. Sinclair) desired an additional clause. I did not see that it was going to interfere with the working of the Act, and I quite readily acceded to it. The amendment to which objection is now taken is the one that we inserted at the instance of the honourable gentleman, namely, that the regulations should be printed in the Prefix of the Statutes. The objection taken by the officers administering the Act is this. The ordinary citizen, the man in the street, would not have access to the Statutes. The regulations might be changed during the course of the year, as is frequently done, and by amending the Act in the way suggested we might deprive the public to a considerable extent of the opportunity of obtaining the current official information as to what the law and regulations are. The Statutes are published only once a year, whereas the regulations might be published month by month, or week by week, just as the public interest required.

Therefore I beg to move that the Senate do not insist upon its amendment to Bill 87, entitled "An Act to amend the Root Vegetables Act," to which the House of Commons has disagreed.

Hon. R. DANDURAND: Honourable gentlemen, I fail to see the strength of the honourable leader's argument. I did not think, and I do not now believe, that it was intended by the amendment to discontinue publication in the Canada Gazette. The annual printing of the regulations passed during the preceding year would have furnished supplementary information to the public. However, I understand from my honourable friend (Hon. Mr. Sinclair) that, as he approved of the Bill as it stood, he will not insist on his amendment; but he can speak for himself.

Hon. J. E. SINCLAIR: Honourable gentlemen, I agree with what the honourable leader on this side of the House has said. The amendment that I offered was initiated by myself. I thought it would help a little in making the regulations more readily available to some people who at the present time have

trouble in getting into touch with them. I would point out to the honourable leader of the Government in this House that the proposed amendment would not have taken anything away from the provision with reference to the publishing of the regulations. My amendment in no way detracted from the present Act. We were only adding a little further publicity by having any changes in the regulations, and the regulations themselves, printed in the Prefix to the Statutes next issued after such changes were made. To say that this would delay the publication of the Statutes each year is drawing the point pretty fine. I do not think it would delay such publication more than two hours. I cannot see how it could be said that it would be misleading to the public, because the regulations are now published in full and the amendments are issued from time to time in pamphlet form. We all know how many pamphlets come to our offices at present from various Government departments, and how they are strewed about and mislaid; whereas, if we had the information in the Statutes, as I suggested, it would be on file and always ready for reference.

However, as the honourable leader on this side has said, while I do not agree in the slightest with the reasons that have been given against my amendment, I will not insist on it. It was only a minor amendment. The statute is what might be called a skeleton Act, the pith of the legislation being contained in the regulations, and for that reason I thought my amendment would help; but as I am fully in accord with the Act itself, and strongly support it and the inspection that is carried on under it, I agree to the adoption of the motion made by the honourable leader of the Government.

The motion was agreed to.

BUSINESS OF THE SENATE

Hon. Mr. WILLOUGHBY: Honourable gentlemen, in a moment I am going to move that the Senate adjourn until Monday. The Clerk of the House has been kind enough to make a schedule of the proposed and pending legislation. There are very few measures that appear to be very contentious. I need hardly read the list, because some of the measures may never come over to us. In the meantime we have exhausted our work on the trestle-board, and I therefore move that when this House adjourns to-day it do stand adjourned until Monday next at eight o'clock.

The motion was agreed to.

The Senate adjourned until Monday, July 27, at 8 p.m.

THE SENATE

Monday, July 27, 1931.

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

Prayers and routine proceedings.

NEW SENATOR INTRODUCED

Hon. Patrick Burns, of Calgary, Alberta, introduced by Hon. W. B. Willoughby and Hon. G. D. Robertson.

RELATIONS OF SENATOR WITH DOMINION GOVERNMENT

QUESTION OF PRIVILEGE

Before the Orders of the Day:

Hon. T. J. BOURQUE: Honourable senators, on a question of privilege in which I think all members of the Senate should be interested, I direct attention to a newspaper report of July 22, the newspaper being The Telegraph Journal, published at Saint John, in New Brunswick, the province from which I come. The reference is to the proposal of the honourable member for De Salaberry (Hon. Mr. Béique) for the adoption of a rule governing the relationship of senators with the Government or Government departments.

I read what I consider to be the misleading introduction in the newspaper mentioned, as follows:

Senate defeats Béique motion. Would have barred senators from benefits of Government relations.

I contend that that statement leaves the Senate under the imputation that its members are opposed to a law against improper relations between them and the Government or Government departments. The imputation may be unintentional; certainly it is not justifiable. As one who voted against the motion, I protest.

The matter is now dealt with and governed by a statute law, chapter 147, sections 21 and 22 of the Revised Statutes, with which every one of us is familiar. Such a rule as proposed by the honourable senator for De Salaberry could not have been binding on any senator and could not have been enforced.

These facts should have been stated by the newspaper if it desired to give its readers a correct understanding of the vote in the Senate.

HOUSE OF COMMONS BILL

FIRST READING

Bill 35, an Act to remove the necessity of the re-election of members of the House of Commons of Canada on acceptance of office.—Hon. Mr. Willoughby.

VOCATIONAL EDUCATION BILL

FIRST READING

Bill 53, an Act for the promotion of Vocational Education in Canada.—Hon. Mr. Willoughby.

CRIMINAL CODE BILL

FIRST READING

Bill 113, an Act to amend the Criminal Code.—Hon. Mr. Willoughby.

CANADIAN RED CROSS SOCIETY BILL

FIRST READING

Bill 131, an Act to amend the Canadian Red Cross Society Act.—Hon. Mr. Willoughby.

AUSTRALIAN TRADE AGREEMENT BILL

THIRD READING

Hon. Mr. WILLOUGHBY moved the third reading of Bill 123, an Act respecting a certain trade agreement between Canada and Australia.

Right Hon. GEORGE P. GRAHAM: Honourable senators, I have no desire to retard the passage of this measure, or even to discuss it at length, because, as I am willing to confess before this honourable House, I am not sufficiently conversant with the details of the treaty to discuss it intelligently. A matter of this kind should be discussed by only two classes of persons—those who have made a thorough study of the treaty and know its details, and those who believe that something with which they are intimately connected will be seriously affected by the treaty. I do not happen to be in either class.

Treaty making requires skill, diplomatic tact and knowledge of trade such as are not always essential in other governmental transactions. On one occasion I had the honour of taking part, at an Imperial Conference, in a discussion on trade relations within the Empire, and I think the pithiest part of the discussion related to trade between overseas Dominions or Colonies. We discuss to a considerable extent what is called Imperial trade, and make policies in regard to it, rather confining our thoughts to the matter of trade between ourselves and the Motherland; but I think that most persons after serious reflection will agree that it is just as essential for the overseas Dominions and Colonies to trade with one another as with the Motherland. If we are to continue as a strong union composed of several entities, we shall have to co-operate as much as possible. After the discussions at the Imperial Conference to which I have referred, the then Prime Minister and I had the privilege of meeting the representatives of South Africa, Australia, New Zealand and the West Indies. We gleaned a good deal of information, and I may say that I am not at all surprised that it is sometimes more difficult to negotiate a treaty between two Dominions, or a Dominion and a Colony, than between a Dominion and the Mother Country. The Dominions give a preference to Great Britain, but when two Dominions desire to arrange a preferential treaty they find that each has a great number of products similar to those of the other, and that it is not easy to arrive at an agreement for exchange.

Generally speaking, it is less troublesome to make a tariff than a treaty, for a tariff is ostensibly designed to suit the country that makes it, and without much concern about its effect upon other countries.

It must not be forgotten that at the present time Australia is a very high-tariff country. Some difficulties arose with regard to the treaty that was arranged with that Dominion some few years ago, because we exported to it a great many manufactured goods and there was a growing agitation in that country in favour of at least part of such goods being manufactured there. However, we have so many more manufactures than Australia, and we have such a large quantity of certain natural products, such as timber, that we ought to be in a position to make a fairly good arrangement with that Commonwealth.

I do not know whether the preferences given to Australia will extend to New Zealand, but presumably they will.

Now, as I have already pointed out, it is difficult enough to draw up a treaty, but when one sits down to discuss a treaty with the representatives of a country such as Australia, as I have had the honour of doing, one realizes how much more difficult it is to draw up one that will be mutually advantageous. At first blush a treaty may seem to be very beneficial to all concerned, but the moment that one party announces that it has made a wonderful trade agreement with another, the other begins to suspect that it has given away too much. We all have known of instances where

the party of the second part refused to ratify its agreement and retracted it because the party of the first part boasted too much.

My own view is that any arrangement which makes for the interchange of products that are interchangeable is far better for the countries concerned than a high wall of protection, for if we surround our country with a high Chinese wall and say we will buy nothing, we shall sell nothing. Buying must correspond to selling, particularly in a country like Canada. I think it is agreed by everyone that we cannot consume all our products and that we must have outside markets. Instead of criticizing this trade arrangement, I think it is along proper lines, because it makes for an interchange of products whereby we can sell goods of which we have a surplus and buy on better terms goods that we do not produce. I will not make a detailed examination of the large number of items mentioned in the schedules. My inclination at this time of stress is to smother any criticism such as I might have made under other circumstances, and I would express the hope that the good effects of the treaty will exceed all our expectations.

Hon. E. D. SMITH: Honourable senators, as I am qualified, according to the remarks of the right honourable gentleman from Eganville (Right Hon. Mr. Graham) to say a few words upon this treaty, I take the opportunity of doing so. The Bill was given its second reading at our last sitting with such lightning speed that it had passed that stage before I realized it was proper to talk on the matter.

This Australian Treaty is framed somewhat differently from the previous one. I remember very well that when the previous treaty was brought into this Chamber in 1925 I moved in opposition to it a resolution which I had no intention of pressing, for my object was only to bring out discussion. My criticism at that time was that the Government had already adopted low tariffs and that the treaty would give certain goods from Australia the benefit of even lower duties than those which were already in effect against imports from other countries. I suggested that it would be better to raise the duties in the general tariff so that when a reasonable reduction was made to Australia, or any other country with which we desired to deal in such a manner, there would still be left sufficient protection to preserve the Canadian market to a large extent for Canadian producers. That criticism was shown to be justified in some measure, because when Canada adopted the New Zealand Treaty the duty on butter was so low as to give New Zealand a great advantage in the Canadian market, and not to protect our farmers at all.

Right Hon. Mr. GRAHAM: But it is higher now.

Hon. Mr. SMITH: I think that low duty had something to do with the change in the complexion of the House of Commons on the 28th of July last. This treaty is framed upon different lines. Though giving preferences to Australia, the Government of Canada has thought it necessary to maintain the duty on certain goods from Australia at a point high enough to afford the Canadian producers some protection. As the general tariff has been placed somewhat higher, Australia still has an advantage in this market. The trade agreement follows lines such as I suggested six years ago, when the previous Australian Treaty was discussed in the Senate.

I think this treaty will be to the advantage of both countries. In negotiating an agreement of this kind it should be the aim of each country—and it is avowedly so in this instance—to get considerable advantage without injuring the other. When that aim is achieved the treaty is an ideal and model one. Surely it is possible to arrange treaties of that kind. Under the present treaty nearly all the goods mentioned in the Australian tariff may be imported from Canada into Australia at preferential or special rates. It seems to me that these special rates will be of great advantage to this Dominion, particularly the rates applying to our exports of lumber, fish and newsprint. It happens that these are products of three great industries in British Columbia, which is the province nearest to Australia. No one can deny that at the present time the lumber and newsprint industries are in the doldrums and need whatever assistance can be given them by the treaty with Australia. There is such a large difference between the duties to be levied under this treaty and those applicable under the general tariff that I cannot help thinking that ultimately, if not immediately, a large trade will be built up with Australia in lumber, newsprint and fish. On the other hand, I think, this tariff will be of great advantage to Australia in many ways, with regard to products that that country can ship to Canada without injuriously affecting our producers.

But there is one fly in the ointment, and it is here that the idea of the right honourable gentleman from Eganville (Right Hon. Mr. Graham) is applicable. The fly in the ointment is that the duty upon wine is reduced to a very low figure. Whether that is going to

work a great injury to our Canadian grape-growers or not depends upon the action of the Government in passing some remedial legislation or some regulations to offset the disadvantage that Canada may suffer.

Under this treaty Australia should be able to capture the greater part of the Canadian market for high-class wines, which now come from Europe—from France, Spain, Portugal and Italy. The wine which Australia is permitted to ship into this country, and upon which there is paid a bonus of 42 cents a gallon, is of a high grade, testing 34 degrees proof spirit. That wine will come into competition with other wines, particularly those of the four European countries that I have mentioned. The duty levied under the French Treaty, which is the prevailing duty on the wines of the four countries I have mentioned, is 55 cents on wine testing 26 degrees proof spirit, plus 3 cents for each degree of increased strength of spirit up to 40 degrees. This ensures, as against European countries, a duty of 79 cents a gallon on wine of the same strength as the Australian, namely, 34 degrees. Then the European producers have to pay the cost of transportation to Canada. Those are the impediments in the way of shipping wine from Europe to this country—a duty of 79 cents a gallon, and the freight. What is the situation with regard to Australia under this treaty? In the first place, as I have said, Australia gives a bonus on wine of 34 degrees proof spirit at the rate of 42 cents a gallon; secondly, the duty on that wine coming into Canada is only 25 cents a gallon. So Australia has an advantage of about 95 cents a gallon over the European countries. As Australia produces a grade of wine equal, I understand, to that produced in the European countries I have named, and as it can be laid down here nearly a dollar a gallon cheaper, Australia ought to be able to capture the Canadian wine market. You will see, therefore, that we have granted a considerable advantage in that regard.

A very large quantity of wine is brought into this country, and it is increasing. Under the French Treaty the European wine producers had a considerable advantage over our own manufacturers. In 1922, the earliest year that offers a fair comparison, France exported to this country 114,864 gallons; last year she exported 338,369 gallons. In 1922 Spain exported to Canada 110,034 gallons, and last year 290,589 gallons. Portugal exported to this country in 1922 only 21,117 gallons; but last year the quantity increased to 140,720 gallons. Italy in 1922 exported to Canada only 5,938 gallons; last year, 73,659 gallons. The total from all these countries amounted in 1922 to 251,953 gallons, and in 1931 to 843,337 gallons, an increase of 234 per cent in nine years. During the same period our population increased not more than ten or fifteen per cent. This shows how reduced duties tend to increase imports.

Now that there is an advantage of almost a dollar a gallon in favour of an Australian wine similar to the wines that come from European countries, surely the trade will go largely to Australia. So far as that is concerned, it is all to the good. I believe thoroughly in encouraging trade with the other Dominions and the Mother Country, and in giving them a preference even over friendly countries with which we have been trading.

But we must ask what effect this is going to have on the Canadian wine industry. It is true that at the present time we do not manufacture very much wine, if any, of the grade that I have referred to. Possibly no harm will be done. If prices remain at the present level, I do not believe the Canadian wine industry will suffer any injury; but with the enormous advantages that the Australian producers have under this treaty they could reduce their prices so that our Canadian wine makers could not possibly compete unless some very important concessions or ameliorations were granted by the Government. The bonus of 42 cents a gallon on the Australian wine covers not only the duty of 25 cents a gallon, but also the freight to Vancouver, thus enabling the producers to lay down their product in Canada freight and duty free. It will be difficult, therefore, not only for the European producers, who have to pay a heavy duty, but also for our own wine makers, to compete. There are several concessions, however, that would enable our own wine manufacturers to enter into successful competition.

Before discussing that point, however, let me indicate some of the handicaps under which our own wine makers labour. First, they are subject to the excise tax of 7½ cents a gallon, whereas wine coming from Australia does not pay any excise tax. Then they have to pay an excise tax of $9 a gallon on the spirit that is used to fortify the wine. In Australia spirit is free. Because of that tax of $9 a gallon our wine makers do not use spirit. The complaint has been made that our wine makers do not make a good wine. They cannot, because they cannot afford to pay the $9 a gallon for spirit to fortify the wine. Then there is the sales tax of 4 per cent. Further, the wine makers must have refined sugar; they say nothing else will do. Prior to the present session of Parliament there

was a rebate on refined sugar, equivalent to the duty paid on it. That rebate amounted to about $1.89 a hundred. That has been abandoned. All the wine makers get now is a rebate of 28 cents a hundred—the duty on the raw sugar paid by the refiner in Canada—a difference of about $1.60 to their disadvantage. In spite of all this they have to compete with the Australian wine makers, who receive a bonus of 42 cents a gallon.

I wish now to say just a few words in regard to the situation of our grape-growers. Grape-growing has been quite profitable in Canada for a number of years. It began to be profitable, I think, when the prohibition law was passed in the United States. At that time the price of grapes in that country went so high that we were able to export them from Canada, and the growers here got big prices for them. For two or three years the price was maintained by reason of the purchases of our wine makers, and as a result the growers made heavy plantings, at the rate of 2,000 acres a year, for perhaps four years. The first plantings are now in full bearing, the second plantings in half bearing, and the others are bearing a little or coming into bearing, and during the next few years grape production will be increased. Up to the present production has been absorbed by the wine makers and the fresh grape market. The fresh grape market has taken, I should say, around 6,000 tons, and the wine makers have taken in good years as high as 14,000 tons. This year the crop is expected to reach 30,000 tons.

About a year ago the wine makers filled their tanks with concentrated grape juice from California. Prohibition in the United States caused a great increase in the production of wine in that country, and the price of grapes went very high—$120 a ton. As a consequence the growers in California commenced to plant heavily; they planted 200,000 acres within two years. When I say that we have not more than 12,000 or 15,000 acres of grapes in Canada you will realize what that meant—over-production. Then the price went so low that one year the Government paid the California growers $9 a ton to leave a portion of their grapes on the vines in order that they might get something for the remainder. Then they found an outlet for their product by making concentrated grape juice. Our wine makers became aware of that before the grape-growers did, and filled up their tanks with it. They bought the equivalent of about 10,000 tons of grapes, which was shipped over here in tank cars. Then the grape-growers of Canada appealed to the Government, and at the last session of the last Parliament provision was made to enable the Government by Order in Council to place a higher duty on this concentrated grape juice, if it saw fit. Previously the duty was not more than one-quarter of the duty on fresh grapes. A few days after the election, before the late Government went out of power, it passed an Order in Council providing that the duty on concentrated grape juice should be equivalent to the duty on fresh grapes. If that had been done a year earlier it would have saved the situation.

The importation of that grape juice is one of the things that are helping to cause an overplus of grapes at the present time of depression, when there is not as great a demand for wine as there has been in previous years. This year there is bound to be a surplus of anywhere from 10,000 to 15,000 tons of grapes unless some very drastic steps are taken, by regulation or otherwise, to remove some of the impediments in the way of manufacturing wine. Unless that is done the grape-growers here will suffer a great calamity, just as the California grape-growers did.

Now I will mention some of the things that I think ought to be done by the Government. First, it should grant a remission of the sales tax of 7½ cents a gallon on wine. That is an easy thing to do, but it will detract from the revenue going into the treasury.

Hon. Mr. SMEATON WHITE: I think the sales tax would apply to the Australian wine as well as to the Canadian. I think it is levied on both.

Hon. Mr. SMITH: Probably it is. I should not have said the sales tax; I meant the excise tax. I mentioned the sales tax before. That might be remitted. But both the sales tax and the excise tax produce considerable revenue, and at the present time the Government cannot stand any reduction of revenue.

There are other things, however, that could be done and would not cause any loss of revenue. Owing to the lack of regulations and to the irresponsibility of many wine makers, wine has been made from as little as five pounds of grapes to the gallon. When I tell you that it takes thirteen and one-half pounds of grapes to produce a gallon of pure grape juice, you will realize what poor wine it is. The Government might pass a regulation requiring manufacturers to use not less than nine or ten pounds of grapes to a gallon of wine. The wine makers say that there is an objection to going beyond that point; that because of the acidity of the grapes they

must put in a certain quantity of sugar. If the Government were to pass a regulation compelling the wine makers to use as large a quantity of grapes as it is possible to use in the making of good wine, the increase in the consumption of grapes, should we produce as much wine as we have done in prosperous years, would be about 4,000 tons. That would absorb a considerable portion of the surplus. Of course that regulation would not be effective this year, because the wine makers, having pretty well filled their tanks with concentrated grape juice, are not going to buy a large quantity of grapes. It is currently stated, and it is stressed by them, that they cannot possibly buy more than 7,000 tons.

Here is another means. Last year we imported into this country 16,350 tons of grapes —a most astonishing quantity—and the year before 13,286 tons; for the two years an average of about 15,000 tons.

Right Hon. Mr. GRAHAM: Where from?

Hon. Mr. SMITH: Mostly from the States. Those grapes came in over a duty of two cents a pound. The Government could, if it chose, fix a value so that that duty would be doubled. Such action would surely keep out a great quantity of those grapes. If it kept out half of them and conditions were normal in this country the entire surplus of our grape crop would be absorbed.

There is something else that the Government could do, and it is of more importance than all these things put together. Wine makers in this country might be permitted by the Government, as those in other countries—at least those who export—are permitted, to manufacture the spirits to fortify their wines from nothing but grapes. Wine is being shipped into Canada under a bonus of 42 cents a gallon, and no excise tax is paid on it nor on the spirits used to fortify it. Why should not the Canadian wine maker be able to fortify his wines with free spirits made from grapes? I am told by a prominent wine maker that if the Government took that action and if all the wine were fortified—some of it might not be fortified, of course, for there would be no compulsion in the matter—as large a quantity of grapes would be needed to make the spirits as to make the wine. There are not enough grapes grown in Canada to-day to supply the combined demand that would exist in normal times.

I have made four or five suggestions and I hope the Government will adopt at least enough of them to keep the grape industry from being wrecked this year. There is no question in my mind that unless some drastic action is taken the situation will be as bad in Ontario as it is in California, where the growers cannot sell half of the crop. I understand that a great deal of pressure is being brought to bear upon the Government, and that it is considering some of these suggestions at the present time. I want to stress particularly the importance of free spirits for fortifying the wine. It may be said that this would tend to encourage the use of stronger wines. Well, we are encouraging that now by allowing stronger wines to come into Canada from France and other countries at low rates of duty, and from Australia at a particularly low rate and under a bonus. Surely it would be no more harmful to allow our own people to make their spirits from grapes and thus give them a chance to supply the Canadian people with home-made wines.

Hon. Mr. HARMER: May I ask the honourable gentleman a question? Does the Australian Government permit the grape-growers and wine producers to fortify their wines with the natural alcoholic content of the grape?

Hon. Mr. SMITH: Yes, it does, for export.

Hon. Mr. HARMER: For export only?

Hon. Mr. SMITH: Yes, for export only. That is free of duty. Of course, for home consumption there is an excise tax.

Hon. Mr. HARMER: I have another question to ask, for my own information only. Does the alcoholic content—34 or whatever it may be—of Australian wine imported into Canada preclude the imposition of the duty of $9 a gallon? The wine contains a certain alcoholic content. I think the figure 34 was mentioned. I do not know what that means, but I understand it signifies a certain alcoholic content.

Hon. Mr. SMITH: Do I understand the question to be: Is there any excise tax on that?

Hon. Mr. HARMER: Yes.

Hon. Mr. SMITH: There is no excise tax on that.

Hon. Mr. HARMER: Because it comes under the 34 the excise tax cannot be applied?

Hon Mr. SMITH: There is no excise tax either on the wine or on the spirits used to fortify it, if it is exported.

Hon. G. GORDON: Honourable senators, I desire to say a few words in commendation of this treaty. The right honourable member for Eganville (Right Hon. Mr. Graham) said that it was very difficult to make a treaty

between Dominions. He knows a great deal about such matters, and I have no doubt that he is right in that statement. It seems to me there are many good features in this agreement between Australia and Canada. With regard to the general tariff, my opinion is that we require duties only on things we can manufacture or produce, and that other things should enter Canada free of duty. There is a great opportunity for trade with Australia in accordance with that policy, and I am glad to see we are taking advantage of it. For example, Australia requires certain woods which are not grown in that country and which we can supply, such as fir and pine lumber. These and other goods, including newsprint, are to be admitted into Australia on special terms, and in return we shall allow the free entry into Canada of certain goods which Australia produces and we do not, such as walnut, silky oak, peanuts, prunes, dried currants—which we use in carload lots—and other things. Why should we have a duty on these products? I understand that British Columbia is now making some attempts to produce prunes, but so far only on a small scale. Therefore no harm can be done by the free entry of prunes into this country at present; on the contrary, our consumers will get the benefit of the resulting low prices. I notice that oranges also are to be on the free list for six months each year. I shall not go into details, for I have not the figures before me, but I am sure that the importation of these goods under the treaty will not harm anyone in Canada. I feel satisfied that Australia is getting a fair bargain also. In my opinion this is an ideal treaty, and the more of the same kind that we can make with other Dominions, the better.

Hon. W. B. WILLOUGHBY: Honourable senators, I wish to make a few observations on the treaty, especially with regard to the fortunate frame of mind of the two contracting parties. Honourable members know that relations between the two countries were a little strained in consequence of the notice given by the late Government to terminate the former treaty. The party I represent in this House did not object to the termination, because that party had criticized the treaty on the ground that it was injurious to our people. I want to speak now, however, of the kind attitude of New Zealand and Australia in their attempts to make beneficial trade arrangements with other parts of the Empire. It was my good fortune to spend several weeks in South Africa with the delegates of the Parliamentary Association in 1924. The party included representatives of Canada, Australia, New Zealand and the other British Dominions. Some members of the Senate and the lower House of Australia were present. My relations with the representatives of those Dominions became very pleasant; so much so that when our party was booked to return from South Africa to Southampton I joined the Australians, spending a couple of weeks on the ocean with them and some time in their country. During my short visit I received the greatest hospitality. I was much impressed by the attitude of the Antipodeans towards the Mother Country, and by their evident desire for the most friendly trade and other relations with the rest of the Dominions. Australia is even more British than we are. Its population is very largely drawn from the Old Land, and its foreign element is comparatively small. The feelings between that country and Canada are pleasant, as they ought to be, and it would be rather our own fault if we changed our attitude. I do not think there will ever be any occasion for that.

This treaty has one signal advantage over the previous one. It was always obvious to me that the old treaty would prove harmful to our farmers. There is no necessity to argue that point now. It must be conceded by both parties, for the party that was formerly in power terminated the treaty. Why would the late Government have taken that action if it thought the treaty was favourable? I have no doubt that under the present treaty there are some things with regard to which Canada is not getting the better part of the deal. We have already been told about some of the difficulties of Canadian wine makers. But one great advantage of this treaty is that if it is found unfavourable in any item, the whole of it need not be abrogated at one fell swoop. We could draw the matter to the attention of our Australian friends and if they were unable to make concession, the item in question could, as I understand, be withdrawn from the operation of the treaty, but the rest of the treaty would stand. Such a procedure was not possible under the old treaty, and we arrived at an unpleasant impasse with a sister Dominion, when there was danger of—I will not say animosity, but bad feeling.

I do not intend to analyze the advantages of the treaty to Canada. Because of his lifelong business career the honourable gentleman from Wentworth (Hon. Mr. Smith) is well qualified to deal with the matters he discussed. I am sure that his observations will

be brought to the attention of the Government by the honourable gentleman to my right (Hon. Mr. Robertson), and some of the conditions referred to may be remedied. As I have already said, such a procedure is possible under this treaty. It is perfectly true that in other respects this treaty does not give to Canada many striking advantages that the old treaty did not, but we cannot expect to have it all our own way. As the honourable member for Nipissing (Hon. Mr. Gordon) remarked, this is, on the whole, a good treaty for Canada. My purpose in rising was to emphasize the fact that now we can negotiate for a change in any part of the treaty which in operation proves to be injurious.

Hon. A. H. MACDONELL: Honourable senators, I desire to congratulate the honourable gentleman from Wentworth (Hon. Mr. Smith) on the lucid way in which he presented his case. But he omitted to inform us on two points which I think should be cleared up in order that we may be able to decide whether this Bill shold be passed or not. I should like to know the approximate number of grape-growers who will be affected if this Bill is passed, or defeated. Secondly, I should like my honourable friend to tell me approximately the amount of Canadian capital that would be affected by the passage or rejection of this Bill. We really cannot proceed further with this matter until we know whether there are few or many grape-growers concerned, and whether they have invested only a few thousands of dollars or many hundreds of thousands.

Hon. Mr. SMITH: I might say to my honourable friend that there are at least 15,000 acres of grapes. On each acre there would be at least $100 worth of material—such as vines, posts, wire, and so on—which I suppose might be considered as an investment. That is in addition to the value of the land. I do not know the number of men, but it would be in the thousands, who are engaged in producing grapes in the Niagara district. The industry is a very important one from other points of view. Grapes can be grown upon land that is not quite suitable for peaches, cherries or berries, and about half the land in the Niagara district, where the climate is so favourable for the production of grapes, is of this type. That district has room for the production of at least three times as many grapes as are now being grown there. But even if we utilized all our suitable land we should fall short of Australia, where at present 44,000 acres are used by grape-growers.

Hon. Mr. MACDONELL: May I ask what is approximately the amount of Canadian capital that would be affected if this Bill were passed?

Hon. Mr. SMITH: The wine industry is a big one.

Hon. Mr. MACDONELL: We want to know the approximate figures.

Hon. Mr. SMITH: I do not know what the capital is, but it is large. I do not go so far as to say that the Bill will seriously injure the wine industry or the grape-owners, provided the Government adopts some of these proposals to take up some of the surplus this year.

Hon. Mr. HARMER: The honourable gentleman has quoted figures showing the increase in the importation of wine from 1922 to 1929. Could he give us also the increase in the production of grapes in the Niagara district during the same period?

Hon. Mr. SMITH: In Canada?

Hon. Mr. HARMER: Or in Canada.

Hon. Mr. SMITH: I could not give that. It has increased very much. Speaking roughly, I should say it has doubled.

Hon. G. D. ROBERTSON: Honourable members, may I refer briefly to the subject under discussion? I have had an opportunity of knowing something of the consideration given to the treaty and the work done upon it. It is doubtful, I think, whether more time or greater care has ever been given to a treaty between two Dominions of the British Empire. This treaty was negotiated as a result of extensive conferences, held first in London, when the Imperial Conference was in session, and subsequently when the Hon. Mr. Moloney, Mr. Abbott, and other gentlemen from Australia, including Mr. MacGregor, Trade Commissioner in Canada, spent not merely days but weeks in carefully discussing the details of these proposals with the Canadian Government in order to ascertain what effect they would have on the trade of both countries.

There is one feature that has not been mentioned to-night, which may be worthy of the attention of the House. Both countries produce certain articles of the same kind, but the season current in one country is the opposite of the season in the other. When it is summer in Canada it is winter in Australia. An interchange of the products of the two countries is possible without their coming into conflict. The treaty provides that certain

seasonal fruits may be shipped from Canada to Australia at seasons of the year when they are plentiful here and when, because it is the middle of the winter in Australia, they are not being produced there. During certain months of the year we ship fruits to Australia, and during certain other months they ship the same kind of fruits to Canada. This results in benefit to both countries.

I think that seldom, if ever, has there been as careful a study of the effects of proposed changes in the tariff relating to Australia as in this instance, and I am sure that the treaty will be of great service to Canada by reason of the fact that it covers over four hundred articles on which Australia gives us the benefit of the British preferential tariff. I think also that no treaty has been more closely scrutinized than the present one by the business interests of both countries. After careful investigation by the business men of Canada, the treaty is found universally satisfactory, with the exception of the grape industry. Even our friends the grape-growers are, I believe, coming to the conclusion that if the business interests of Canada had wakened up to the facts a little earlier, and if a little protection had been imposed against the great influx of grape juice that came here in carload lots, they might not be facing the dangers that they now fear. However, that situation cannot be helped. It is the fault of nobody in particular. But the situation would not have been so bad if the wholesale export of California grape juice had been discovered sooner than it was.

I can assure the honourable member from Wentworth (Hon. Mr. Smith) that the suggestions he has been good enough to make will be brought to the attention of the Minister of National Revenue, together with the Prime Minister and the Minister of Trade and Commerce, who have taken a very great interest in the negotiating of this treaty. Very likely some of the honourable senator's suggestions will bear fruit when they are considered by the Government.

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 28, 1931.

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

Prayers and routine proceedings.

CANADIAN NATIONAL RAILWAYS FINANCING BILL

FIRST READING

Bill 79, an Act respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1931.—Hon. Mr. Willoughby.

CANADIAN NATIONAL RAILWAYS GUARANTEE BILL

FIRST READING

Bill 83, an Act respecting the Canadian National Railways and to authorize the guarantee by His Majesty of securities to be issued under the Canadian National Railways Financing Act, 1931.—Hon. Mr. Willoughby.

SAINT JOHN HARBOUR LOAN BILL

FIRST READING

Bill 134, an Act to provide for a further loan to the Saint John Harbour Commissioners.—Hon. Mr. Willoughby.

THREE RIVERS HARBOUR LOAN BILL

FIRST READING

Bill 135, an Act to provide for a further loan to the Three Rivers Harbour Commissioners.—Hon. Mr. Willoughby.

NORTH FRASER HARBOUR COMMISSIONERS BILL

FIRST READING

Bill 139, an Act to amend the North Fraser Harbour Commissioners Act, 1913.—Hon. Mr. Willoughby.

WHEAT BILL

FIRST READING

Bill 140, an Act respecting Wheat.—Hon. Mr. Willoughby.

22112—31

REVISED EDITION

HOUSE OF COMMONS BILL

SECOND READING

Hon. W. B. WILLOUGHBY moved the second reading of Bill 35, an Act to remove the necessity of the re-election of members of the House of Commons of Canada on acceptance of office.

Right Hon. Mr. GRAHAM: What does it mean?

Hon. Mr. WILLOUGHBY: Honourable senators, very little explanation of this Bill is necessary. In Great Britain the age-old practice has held until comparatively recent years, that if a member elected to the House of Commons accepted an office of profit under the Crown he had to go back to his constituency for re-election; but, as all honourable members are no doubt aware, the British Parliament a few years ago passed a statute containing provisions similar to those in this Bill. For a few years prior to the passing of that Act in the Old Country a member was not obliged to seek re-election if appointed to an office within nine months after his election, but he was obliged to seek re-election if he received an appointment after the expiration of the period of nine months. We know of cases in which ministers have failed in their attempts to be re-elected. In this country, however, the return of a minister is virtually certain. In some cases the circumstances attending such a re-election have not been conducive to governmental morality. The opposition goes out to flesh its steel, and, I dare say, promises of appointment to office have been made to enlist aid to carry the re-election. I think the proposed change is wholly admirable. It results in the saving of a certain expense to the country. I well remember reading of the old days of pocket boroughs in the Old Country—how some territorial magnate controlled the elections in several constituencies. Such a thing is not possible in Canada, in any of the other Dominions, or in Great Britain to-day. I think re-election involves unnecessary expense and probable turmoil, and, unfortunately, as I have indicated, it results sometimes in what is a too apparent public auction of offices.

Right Hon. GEORGE P. GRAHAM: Honourable members, I suppose that the Commons, like the Senate, feels strongly about its dignity and that it is entitled, if not by right, at least by custom, to control its own affairs and determine the way in which its members shall be elected. Of course the whole country, including the Senate, is interested in the Government. The Government has a representative in the Senate, but happily not through an election; and while he could do some of the things that the leader (Hon. Mr. Willoughby) has mentioned, he could not lose his seat by doing them.

There is a good deal to be said in favour of a measure of this kind, but I should like it better if a time limit were set, because conditions change very rapidly. I think it would not be unwise to provide that a member of the Commons appointed to office after a period of two years following the general election—I would go so far—might have his appeal for re-election challenged. Governments have been known to grow very weak within two years, and the result of the by-election would perhaps be a warning to the Government either to brace up or to prepare for the inevitable.

However, the Commons, I presume, has threshed this matter out thoroughly and has arrived at the conclusion that it wants to manage its affairs in the way indicated by the Bill, and, as our member of the Government does not have to become involved in all those evils of election time, I do not feel inclined to press for amendment of the measure.

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

THIRD READING

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

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

VOCATIONAL EDUCATION BILL

SECOND READING

Hon. Mr. ROBERTSON moved the second reading of Bill 53, an Act for the promotion of vocational education in Canada.

He said: Honourable members, perhaps this Bill is of sufficient importance to warrant a word of explanation before it is passed. The previous Act referring to this matter was called an Act respecting technical education. This time the title is changed: it is an Act for the promotion of vocational education in Canada. The purpose of the Bill is similar to that of the Technical Education Act passed in 1919. At that time the term "technical education" was used, rather than "vocational education," because Parliament had previously provided special grants for the advancement of agriculture and agricultural instruction.

Those grants having been discontinued in 1924, I think, and agriculture being an important and indeed a basic industry in Canada, it is now proposed to make the grants referred to in the Bill available to assist the provinces in promoting vocational education whether of a purely technical nature or relating solely to agriculture, which is becoming more and more technical in its operation.

Little need be said, I think, regarding the desirability of technical education. It is true that prior to 1900 very little special recognition or assistance was given to technical education throughout the world. Primary education was carried on in schools, and for higher education colleges and universities were available. As time went on, however, and the world became more and more industrialized, various nations began to pay special attention to the training of youth in connection with industry, and to-day thirty industrially important countries have legislation dealing with technical and vocational education.

In 1905, I think it was, certain men who were particularly interested in the welfare of the working man first proposed that consideration should be given by Canada to the subject of technical education. In 1907 the Trades and Labour Congress of Canada went on record in this respect, and in 1908 the Canadian Manufacturers' Association did likewise. In 1909 a motion passed in another place to institute a governmental inquiry into what was being done in this regard in other countries, and what could be done in Canada, resulted in the appointment of a Commission, which toured various countries of the world and gathered exhaustive and extremely interesting information. The efforts of that Commission culminated in a report that was filed with the Government in, I think, 1913.

Then the war broke out. Naturally, at such a time the country's domestic affairs were temporarily set aside and its main energies devoted to the struggle that was going on, and it was not until 1919 that the Government of Canada again found time and opportunity to deal with technical education. In that year a Bill was brought into the House of Commons by the honourable member for Saltcoats (Hon. Mr. Calder) proposing the establishment in Canada of a system of aid to the Provincial Governments in carrying on the work of technical education. That Bill was accepted by Parliament and became operative the same year. It provided for assistance to the provinces in the form of a grant of $10,000,000, extending over a period of ten years, to be distributed on the basis of population, and fixed a minimum of $10,000 a year for each province to be used as a nucleus in carrying on the work.

During the next ten years certain provinces, which were a little more advanced industrially than others, found it desirable and necessary to take a special interest in the legislation; other provinces, not so highly industrialized, and more interested perhaps in agricultural activities, did not take full advantage of the Act. During the ten years that Act was operative some $7,000,000 odd were distributed in grants to the various provinces of Canada to help defray the expense of carrying on technical education work. This distribution was of great assistance towards increasing the number of schools for technical education and the opportunities for industrial training.

In 1927 various Provincial Governments, business interests, employer interests and labour interests joined in requesting the Government of that day to continue the grants for technical education beyond the period specified in the law, which expired in 1929. If any honourable gentleman desires the facts in that regard, I shall be glad to submit them in detail. In 1929 the Government did not see fit to renew the Act, but introduced a Bill under which the unexpended portions of the grants to the provinces which had not exhausted their allocations under the 1919 Act remained at their disposal.

Since 1929 some of the provinces that in the beginning did not take full advantage of the opportunities afforded by the Technical Education Act have begun to show a more active interest in education, and so it has come to pass that every Provincial Government in Canada and every employer interest, labour interest and business interest have joined in expressing the view that vocational education, as it is now termed, should be continued. It was felt, however, that large expenditures of public moneys should not be made until the necessity and the consequences of such expenditures had been carefully considered; and in the preparation of the Bill that is now before this House due regard was paid to those factors.

The Act of 1919 provided for grants to the provinces on the basis of $1,000,000 a year for ten years. At the expiration of that term there was an unexpended balance of roughly $3,000,000. That amount has since been greatly depleted by the provinces which of late have taken full advantage of the opportunity to improve their educational and training facilities. The Government has thought it well, therefore, to contract activities just a little, and instead of appropriating a

million dollars a year for technical education, in addition to a million for agriculture, as was done in the past—the agricultural grant having expired in 1924, and the technical education grant being now well-nigh exhausted —it has introduced a vocational education measure somewhat along the lines of the Act of 1919, but making available for distribution, by way of grants to the various provinces, the sum of $750,000 a year for fifteen years. In other words, it is proposed to appropriate over a period of fifteen years a sum equal to the aggregate voted by Parliament in 1919 for the ten succeeding years. The present Bill provides also that the Governor in Council, on the recommendation of the Minister, in relation to the agreements between the Federal Government and the various provinces, may make regulations governing the interpretation of the Act so that it will be a little more elastic in its operation than was the former measure. The sum appropriated is to be devoted to the promotion of technical and vocational education by affording better opportunities for the acquisition of skill than would otherwise be available, to the rising generation, especially young people who are far removed from the larger centres.

Perhaps this explanation will suffice for the moment. When the Bill is considered in Committee I shall be glad to furnish any details that the Committee may desire. Without taking further time of the House, I move the second reading of the Bill.

The Hon. the SPEAKER: The question honourable members, is on the second reading of the Bill. Is it your pleasure to adopt the motion?

Hon. N. A. BELCOURT: Honourable gentleman, if I am correct in my interpretation, this is merely an offer on the part of the Government of Canada whereby each province may avail itself of a certain sum of money, the amount to be determined according to its population. If my interpretation is wrong, I trust the honourable gentleman will correct me. Before we go into Committee I would ask this question, which I think is one that relates to the principle of the Bill: To what extent will the Dominion Government take part in the administration, the payment and the use of those moneys in the different provinces? I notice that the Bill provides for regulations to be made by this Government. While I am not opposed to the Bill, and am not going to speak against it, I should like to understand it better than I do. I did not follow the discussion in the other House, as probably I should have done, but I want to be satisfied that this Bill does not contemplate any interference by the Federal Government in the educational system of any province. We all know, because we have had many evidences of it, how jealous the provinces are on this subject, and how they have resented every attempt on the part of the Federal Government to interfere in any way with the conduct of education. I do not feel quite satisfied in my mind that this Bill does not contemplate some such intervention. A reading of it has somewhat impressed me with the possibility that this is the entering of the thin edge of the wedge. There is nothing in the Bill to show the extent to which this Government may claim the right to interfere in the carrying on of vocational work according to the policies of the several provincial educational systems, or otherwise. If this Bill is merely an offer to contribute a certain sum of money, just as an individual offer might be made to help vocational education in a province, there cannot, I confess, be very much objection to it. My difficulty is that thus far I do not see that that is all it amounts to, and I should like very much to know whether I am right or wrong.

Another thing that I think we ought to know is, at whose instigation this Bill has been introduced. Have any of the provinces asked for it, and, if so, what provinces? Have they expressed their concurrence in the provisions of the Bill? Are they satisfied that the Bill is not going to have the effect I have just intimated it might have, of meddling with provincial jurisdiction? That is another question which I think relates to the merits of the Bill and really affects the principle of it.

Of course there are other points that might be mentioned, which I need not mention now if the Bill is to be dealt with in Committee; but several of those which I have mentioned affect the principle of the Bill and its essential nature, and I should therefore like to be satisfied in regard to them.

Hon. Mr. ROBERTSON: Honourable members, I should be glad indeed to give my honourable friend the information for which he asks, but I think I should refrain for the moment, until the discussion on the Bill itself is finished. Just prior to the motion for second reading being put, I shall answer my honourable friend's questions.

Hon. Mr. BELCOURT: I thought the motion for the second reading had been put. I think it has been.

Hon. Mr. ROBERTSON: That being so, I shall be glad to give my honourable friend the information now, as far as I am able. This Bill is not only an offer by the Federal Government to the various provinces; it is more than that. It is the fulfilment of a promise made by the right honourable the present Prime Minister of this country to the electorate a year ago. Furthermore, it is in keeping and in compliance with the requests received from all the Provincial Governments in Canada, some of them as far back as 1927.

Hon. Mr. BELCOURT: The honourable gentleman has received those, and could read them?

Hon. Mr. ROBERTSON: Yes. I might, if not unnecessarily delaying the House, refer to the details of what my honourable friend asks. The Government of British Columbia made such a request through an Order in Council passed on January 3, 1929, by the Government of that day, of which I think Hon. Mr. Tolmie was Prime Minister; and on March 23, 1927, Hon. Mr. MacLean wrote the following letter, addressed to the honourable the Minister of Labour at Ottawa:

Department of Education,
Victoria, B.C.,
March 23, 1927.

The Honourable Peter Heenan,
Minister of Labour,
Ottawa, Ontario.

Dear Sir:

At a Conference of Provincial Directors of Technical Education recently held in Ottawa, it was resolved that the Federal Government be urged to extend for another ten years the arrangements entered into with the provinces in the matter of subsidy towards technical education.

The Department of Education of this province feels that the discontinuance of federal aid would result in seriously retarding advancement along technical education.

It is generally admitted that technical education was never so necessary as it is at this time. The prosperity of Canada depends largely on the development of its natural resources by scientific methods. Experience proves that the nation which spends most on industrial education receives most in return for her industrial enterprises. Fertile soil, timbered land, and great mineral deposits can be made productive and of real value only when they are operated by men with proper training.

Expenditure made to provide technical education is an investment to which the Governments should contribute generously. The assistance received from the Dominion Government in the way of grants during the last ten years has made it possible for this province to extend greatly the work of technical education, which is already beginning to give valuable returns along the lines of production.

On behalf of the Government of this province I would urge that the assistance rendered by your Government be extended over a period of ten more years.

Yours very truly,
J. D. MacLean,
Minister of Education.

A little later, I think, after the death of Hon. Mr. Oliver, Hon. Mr. MacLean became Prime Minister of British Columbia.

Hon. Mr. BELCOURT: Will my honourable friend permit me? I do not want to be too inquisitive, or to make too much trouble. Would he tell us the result of that conference at Ottawa? What provinces were represented there, and what conclusion was reached? That would cover all the information I want on that point.

Hon. Mr. ROBERTSON: My information is that at that conference, which was called for the purpose of discussing technical education, and which lasted two days, every province was represented, and the unanimous decision of the conference was that the federal grant for technical education ought to be renewed when it expired in 1929. I think the record will show this to be a fact. I am sure my honourable friend will accept my word that it is so.

Then, following the letter from Hon. Mr. MacLean which I have just quoted, a similar communication concerning the same subject was received from every other province in Canada. The latest is one received on May 9, 1931, from a Provincial Government, pressing the matter upon us, and calling the attention of this Government to the fact that it ought not to overlook the renewal of the technical education grant.

Hon. Mr. BELCOURT: What about the other point, as to the Dominion Government's share in the expenditure of different amounts by the provinces? Perhaps interference is not the right word. Is this Government going to take any part in the primary school, college, or university educational systems of the provinces which are going to carry on this work? Or is the matter to be left entirely and exclusively in the hands of the provinces?

Hon. Mr. ROBERTSON: I would point out to my honourable friend that the Bill proposes co-operative action between the provinces and the Federal Government much along the same lines followed for the ten years that the former Act was in force. I would respectfully suggest to him and to the House that those details might be discussed in Committee to better advantage.

Hon. Mr. WILLOUGHBY: I will move the Bill into Committee, if you like.

Hon. R. DANDURAND: Honourable members, no one will question the advisability of vocational education being developed in this country in all its various aspects. The primary question which presents itself to my mind is as to the wisdom of the Federal Government assuming at this stage such a large financial responsibility. We know the state of the treasury, and we suspect what it will be next year. I will not make any prediction extending beyond the next twelve months, but I hope we shall see afterwards a prosperous period. Under the present circumstances I am somewhat doubtful as to the propriety of deciding here and now that we will saddle the federal treasury with an expenditure of $750,000 a year for fifteen years. This represents an enormous sum.

If this proposition is to be accepted, I commend the clause which declares that the payments shall be made to correspond to the proportion which the population of the province bears to the population of Canada, as determined by the latest federal decennial census. The Confederation compact laid down certain rules as to what the provinces should receive from the federal treasury. The financial clauses were perhaps the hardest to agree upon. The provinces were handing over to the Federal Government their customs and excise and were receiving in return so much per head of their population according to the census of 1861. This basis has been adjusted and now payment is made according to the population at the latest decennial census. In this Chamber I have always taken the ground that the Federal Government should respect that arrangement in increasing its payments to the provinces. I remember that this Chamber twice rejected a Bill which involved an expenditure of $10,000,000 upon roads, because it insisted that the payments should be in proportion to population; then the Government yielded, and brought down a Bill in which that principle was respected. I am happy to observe that in this instance the principle is adhered to.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Gillis in the Chair.

Sections 1, 2 and 3 were agreed to.

On section 4—agreement with province:

Hon. Mr. SINCLAIR: I think the Minister should explain to us the nature of this section, and the new ground he is taking in regard to the agreement, as compared with the old Act.

Hon. Mr. ROBERTSON: This section refers to the agreement made with the provinces, which outlines the activities that may be regarded as coming within the scope of the Bill. The Technical Education Act of 1919 was confined exclusively to industrial education, the development of industrial activities, and the training of industrial workers. As I stated in my remarks on the second reading, there was another grant then in force, amounting to $1,000,000 a year, under what was known as the Agricultural Instruction Act, whereby similar assistance was given to the agricultural industry. Some provinces are not as highly industrialized as others, and are more particularly engaged in agriculture. That agricultural grant was dropped by the late Government in 1924. The present Bill was drafted so that the agreement which must be negotiated between every province and the Dominion, in order that the intent of the legislation may be carried out, may include the education of the people, particularly the younger generation, in agriculture as well as industry, if the conditions of the province concerned indicate the need of such education.

It might be mentioned, in reply to a question raised a while ago, that the total yearly payments to any Provincial Government are not to exceed a proportion of the yearly appropriation corresponding to the proportion which the population of the province bears to the population of Canada. This is the same limitation as was applied under the Technical Education Act. There is no change in that regard, as to the proportionate grant being based on the population.

Hon. Mr. SINCLAIR: I understood that the old Act provided for a flat grant of $10,000 annually to each province, and a further sum according to population. If I understand the Bill rightly, the Minister has eliminated the flat grant and based the payments entirely on population. That is scarcely fair to the smaller provinces, because they have to pay a higher cost per head for education than the larger provinces, and are not able to go into such a varied line of education.

Hon. Mr. ROBERTSON: I quite appreciate the anxiety of my honourable friend from Prince Edward Island, because under the old Act his province received the same primary payment out of the grant as any other province, even the large Province of

Ontario; but I am inclined to think that it is not unfair to fix the amount of the payment on the basis of population. If there were a flat grant of $10,000 for every province, and in addition a per capita allotment, the total payment to Prince Edward Island would be obviously out of proportion to those made to the other provinces. Prince Edward Island did not take full advantage of the grant available under the Technical Education Act of 1919, the reason being, I presume, that it was receiving corresponding advantages from the Agricultural Instruction Act. The Government feels that it is fair to place that province on a par with the rest of Canada as to the right to participate under this proposed law.

Hon. Mr. BELCOURT: Can the honourable Minister tell us how much of that $10,000,000 provided for under the Technical Education Act was spent, and what each province received?

Hon. Mr. ROBERTSON: Yes, that information is here. If honourable members will refer to Vocational Education Bulletin No. 30, issued by the Department of Labour, for the fiscal year 1929, they will find the amount available for Prince Edward Island was $198,187.

Hon. Mr. DANDURAND: In 1929?

Hon. Mr. ROBERTSON: No; for the ten-year period.

Hon. Mr. DANDURAND: Up to 1929?

Hon. Mr. ROBERTSON: Yes, up to 1929. There was actually paid to Prince Edward Island the sum of $71,665. Perhaps it is not necessary for me to quote the figures for the other provinces. Out of the total of $10,000,000 provided for in 1919 there was paid to the nine provinces a total of $7,964,600.

Hon. Mr. BELCOURT: What was the rule by which the amounts were apportioned?

Hon. Mr. ROBERTSON: On the basis of the census.

Hon. Mr. SINCLAIR: After the flat payment of $10,000 was made.

Hon. Mr. ROBERTSON: After the flat payment of $10,000. Now Prince Edward Island has a population of between 80,000 and 90,000. If all the provinces received a flat grant of $10,000 and the remainder of the $750,000 were to be divided into payments based on population, Prince Edward Island would get more than twice as much per capita as any other province. The Government felt there should not be such discrimination, inasmuch as the Garden of the Gulf, as it is commonly and justly known, has a per capita wealth equal to that of almost any other province.

Hon. Mr. SINCLAIR: When I asked the Minister a question I did not intend to discuss this Bill from the viewpoint of Prince Edward Island particularly, although I am quite ready to do that. In considering technical education or vocational education one must remember that Prince Edward Island is not an industrial, but an agricultural province.

Hon. Mr. ROBERTSON: And fishing.

Hon. Mr. SINCLAIR: Agricultural and fishing. Under the first Technical Education Act the grants were confined to vocational and technical education and Prince Edward Island had very few channels through which the money could be expended. This proposed legislation applies also to agricultural education and therefore will work more fully to the advantage of the people of my province. Our position was explained by the Provincial Premier to the Royal Commission that investigated Maritime claims a few years ago, and the Commission recommended that grants for agricultural education should be made from the amount still remaining under the old Act. I think the Department of Labour acted in accordance with that recommendation.

Hon. Mr. ROBERTSON: Yes, and is still doing so.

Hon. Mr. SINCLAIR: Since that time Prince Edward Island has been receiving more benefit from the expenditure of that money than it formerly did.

There is another question I should like to ask the Minister. Under the old Act a portion of the moneys allotted to each of the provinces could be spent on buildings, equipment and plant. Will it be so under the new Act, or is it the intention to confine expenditures more strictly to education?

Hon. Mr. ROBERTSON: The present Bill contemplates that only a proportion, which shall be agreed upon, shall be spent for such purposes out of the grant to each province. The Technical Education Act of 1919 provided that not more than 25 per cent of the moneys should go into plant and equipment and that at least 75 per cent should be used for education itself. I think I made a somewhat crude remark during the discussion on that Bill in 1919, when I stated the intention was to spend not more than 25 per cent of the grant on bricks and mortar, and at least 75 per cent on brains, because

the object was to promote technical education. Under this Bill there is no set amount or proportion for buildings and equipment, but that is a matter to be agreed upon between the individual provinces and the Federal Government. The Government knows that a number of provinces are well supplied to-day with buildings, equipment and plant, while others are not in such a fortunate position, probably because they began technical education activities comparatively late, and therefore their needs in this respect are correspondingly greater. During the fifteen years that this Act will be in operation it may be found necessary to spend 25 per cent or even more of the grants to some provinces on buildings and equipment, while a smaller proportion may be required for such things in other provinces. Therefore the fixing of the proportion is left to the discretion of the provinces concerned and the Federal Department of Labour, which will be administering the Act.

Hon. Mr. SINCLAIR: There is still another matter I should like to draw to the attention of the Minister. He mentioned fishing. The Department of Fisheries is spending a considerable amount on technical education at the Technical College in Halifax, where a course is given every winter for the benefit of fishermen in the Maritimes. Is it intended that this technical education shall be carried on in future under the Department of Labour?

Hon. Mr. ROBERTSON: This Bill does not contemplate any interference with the activities of the Department of Fisheries. The statement of my honourable friend only demonstrates the fact that Prince Edward Island is not being overlooked in regard to technical education, even as it applies to the fishing industry; and still further justifies the attitude of the Government that the provinces should share the grants under this Bill on a per capita basis.

Hon. Mr. SINCLAIR: I think the Minister misunderstood the point I made. The centering of the technical education at Halifax is not a compliment to Prince Edward Island, but rather the reverse. If the technical education in fisheries came under this proposed legislation, Prince Edward Island fishermen would be able to take the course in their own province. At the present time there is only one centre for this training in the Maritimes.

Hon. Mr. ROBERTSON: Will my honourable friend permit me to interrupt? A few moments ago he referred to the fact that Prince Edward Island was an agricultural province, and I interjected "and fishing." But I said nothing at all to indicate that this Act would apply to the fishing industry.

Hon. Mr. SINCLAIR: My honourable friend's interjection was quite right. But the point I am trying to make at the moment is that our fishermen have to go to Halifax if they desire to take advantage of the technical education provided under the authority of the Department of Fisheries. If that education were given under the authority of this Act, or if the educational activities of the Departments of Labour and Fisheries were co-ordinated, the money to pay the cost of educating Prince Edward Island fishermen would be spent within the province. As it is now, the Provincial Government has had to go so far as to pay the travelling expenses of young fishermen to Halifax. Many of these young men find that the cost of leaving home and staying in Halifax for the duration of the course is more than they can well afford. I can assure the Minister that our people would benefit greatly if the instruction were given in the Province of Prince Edward Island, and I hope he will take the matter into consideration.

Hon. Mr. ROBERTSON: I think it is quite possible that some agreement can be worked out between the Federal Government and the province that my honourable friend represents. The Act is based upon the assumption that a certain amount of money will be granted to each province, conditional on the expenditure of a like amount by the province. If Prince Edward Island spends a certain sum to send fishermen to Halifax for special education on technical lines, there is nothing to prevent the making of an agreement between the province and the Federal Department of Labour that a portion of the province's grant should be earmarked to cover such expenses.

Hon. Mr. SINCLAIR: The honourable Minister says there is nothing to prevent an agreement. Is there any reason why the Act could not be made to cover that?

Hon. Mr. ROBERTSON: Yes. The Act must be drawn to meet conditions in the various provinces. Some provinces have no fishing industry; Saskatchewan, for example. It is not possible to provide in the Act itself for all detailed arrangements that may be necessary.

Hon. Mr. BELCOURT: Are we to understand from what the Minister has stated that the amount of the grants by the Dominion

Government is to be determined in any way by the sum the provinces spend on vocational education?

Hon. Mr. ROBERTSON: Surely.

Hon. Mr. BELCOURT: I do not see anything in the Bill in regard to that.

Hon. Mr. ROBERTSON: I am unable to refer my honourable friend to the particular clause at the moment. But he surely remembers that the 1919 Act, which has been in operation now for thirteen years, provided that the grant allocated by the Federal Government to each province would be made only on condition that the province spent an equal amount of its own money.

Hon. Mr. BELCOURT: I do not remember that. But I am dealing with this Bill, and I do not see anything of the kind in it.

Hon. Mr. ROBERTSON: My honourable friend may be quite right. The regulations and agreements made with the provinces were executed a good many years ago, and I have not looked into them. Subsection 2 of section 4 of the Bill provides:

> The total payments made to the government of any province in any one year shall not exceed a proportion of the yearly appropriation mentioned in section three of this Act, corresponding to the proportion which the population of the province bears to the population of Canada, as determined by the latest federal decennial census.

It may be that the provision to which I referred is contained in the regulations, but at the moment I am unable to state definitely whether this is so. I assure my honourable friend that the Federal Government is not going to hand out grants to any province for the promotion and assistance of vocational or technical education unless the province gives practical evidence of its desire to promote such education within its own boundaries.

Hon. Mr. COPP: To what extent?

Hon. Mr. ROBERTSON: I can give my honourable friend assurance now that so far as the present Government is concerned there is no intention to make a grant to any province in excess of what the province itself spends.

Hon. Mr. BELCOURT: Will my honourable friend say that that will be made part of the regulations to be formulated under section 5?

Hon. Mr. ROBERTSON: If necessary, yes.

Hon. Mr. BELCOURT: If that is the intention, surely there should be something more in this Bill, because at the present time it contains nothing on that point, whatever there may have been in the Act of 1919. I can understand it if my honourable friend says that is going to be a matter for regulation under section 5.

Hon. Mr. MURDOCK: Read section 4.

Hon. Mr. ROBERTSON: Section 4 says:

> The payments to be made to any province shall be conditional upon an agreement being entered into between the Minister and the government of the province as to the terms, conditions and purposes on and for which the payments are to be made and applied, and such agreements shall be subject in all cases to the approval of the Governor in Council.

I have explained to my honourable friend the senior member for Ottawa (Hon. Mr. Belcourt) what the practice has been, and I assert, as the Minister at present responsible for the administration of the Act, that the Government intends there shall be a continuation of that practice, so that the provinces must do their share in order to be eligible for assistance.

Hon. Mr. COPP: Why not put that into the Act?

Hon. Mr. DANDURAND: I do not know what provisions were in the Act of 1919. If the clauses of the present Bill agree with the text of that Act, it would be interesting to know what agreements were made between the Federal Government and the provinces and what regulations were issued. I notice that section 5 of the Bill makes these provisions:

> The Governor in Council may, on the recommendation of the Minister, make regulations with respect to the following matters:—
> (a) The definition of the expression "vocational education" in this Act;
> (b) The particular types and grades of vocational education to which assistance may be granted;
> (c) The procedure to be followed in the administration of this Act;
> (d) The extent to which assistance may be made available towards the continuance of existing vocational education work;
> (e) The extent to which assistance may be made available for lands, buildings, equipment and furnishings;
> (f) The extent to which any portion of the annual appropriation under this Act remaining unexpended at the expiration of any fiscal year may be carried forward and remain available thereafter for the purposes of this Act;
> (g) The auditing of vocational education accounts; and
> (h) Any other matter as may be deemed expedient or necessary for the purpose of carrying out the provisions of this Act.

I do not know whether the terms of this Bill are the same as those of the former Act, or what the regulations were under that Act.

Hon. Mr. ROBERTSON: In effect, the terms are almost the same.

Hon. Mr. DANDURAND: Agreements were made with the provinces on the basis of those regulations?

Hon. Mr. ROBERTSON: That is true.

Hon. Mr. BELCOURT: As my honourable friend is going to administer the Act, I am quite prepared to accept his statement as to what he is going to give the provinces; but I maintain that that feature is not covered by the Bill. However, in view of the honourable Minister's statement, I am not going to insist upon its being covered.

Hon. Mr. ROBERTSON: I may say to my honourable friend that it would be unfair to put such a provision into a Dominion Act, because, as he mentioned an hour ago, education is at times a matter somewhat controversial and the regulations governing the operation of this Act ought therefore to be a matter of agreement between the provincial and the federal authorities. I trust that my honourable friend will accept that as sound.

Hon. Mr. BELCOURT: I do.

Hon. Mr. SINCLAIR: If I understood the Minister aright, each province must spend an amount equal to that spent by the Federal Government. If so, that must be the basis of the agreement. Under the old Act it was so stated. Subsection 1 of section 5 of Chapter 73 of the Statutes of 1919 says:

> The grant payable to any province in any year shall not exceed the amount provided for each province by the next preceding section, nor shall it exceed an amount equivalent to that which the provincial government shall expend on technical education within such year.

If I understand the Minister aright, there is no such provision in the Bill, and the amount of the grant is to be arrived at by agreement with the province.

Hon. Mr. ROBERTSON: Perhaps I owe an apology to my honourable friend for not making myself clear. The very language that the honourable gentleman has just read seems to me to make it clear that the grant is conditional upon payment by the province of an amount equal to the grant.

Hon. Mr. SINCLAIR: What clause sets that out?

Hon. Mr. ROBERTSON: The clause the honourable gentleman has just read.

Hon. Mr. SINCLAIR: That is in the Act of 1919. I am looking for a similar clause in the present Bill.

Hon. Mr. ROBERTSON: It is intended to continue that arrangement by regulation, and to give the province an opportunity for consultation in regard to the conditions which are to govern its actions.

Hon. Mr. SINCLAIR: The very fact that that is to be done by regulation conveys the impression to the ordinary mind—to mine particularly—that there may be a change from year to year. It seems to me, however, that there is a principle involved, which, I should take it, is not intended to be changed from time to time. That is the reason I ask if the provision cannot be included in the statute itself rather than in the regulations.

Hon. Mr. ROBERTSON: The regulations, when made, remain in force for the term of the Act unless there is good reason for changing them. That reason, I assume, would have to come from the provinces, because the Federal Government proposes only to assist them in carrying on vocational education work. If the provinces agree to a dollar for dollar basis and do not ask to have it changed, there should be no difficulty; but if a province should find reason for change, it would have an opportunity of approaching the Federal Government.

Hon. Mr. SINCLAIR: If such change were asked for, it could be made without coming to the Federal Parliament.

Hon. Mr. ROBERTSON: Quite so. With the approval of the Governor in Council.

Hon. Mr. SINCLAIR: So in that way we are making the Bill more elastic and are not laying down the principle that the provinces must spend dollar for dollar with the Federal Government. It is within the right of the Governor in Council to change that principle. It is the basis of the whole agreement, and I think it should be embodied in the Bill.

Hon. Mr. BUREAU: May I ask the honourable Minister if there is any reason for dropping that provision from the present Bill? Was it found that section 5 of the Act of 1919, providing that the Federal Government should contribute an amount equal to the amount contributed by the province for technical education, hampered the administration of the Act.

Hon. Mr. ROBERTSON: So far as I am aware, no real difficulty arose under the old Act, except that it seemed to inflict upon the provinces something that they might not feel inclined to accept. This Bill leaves the matter wide open and gives the provinces equal rights with the Dominion in negotiating

terms. If the Federal Government were to attempt to do by legislation what can be done by regulation, it might be found that while it suited Quebec it would not suit Prince Edward Island. Therefore it was felt that we should not tie one province down to the same agreement as that for another province by putting into the Act an arbitrary provision.

Hon. Mr. FORKE: The regulations will vary in the different provinces.

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. BUREAU: That goes to the basis of the whole Act. Under the old Act the Federal Government was willing to assist the provinces to the extent to which they were willing to tax themselves for a particular purpose. To-day a province may say, "We do not want to spend a cent," and there is nothing to prevent the Governor in Council from approving of payment and saying, "We will give the money in spite of you."

Hon. Mr. ROBERTSON: My honourable friend overlooks the fact that the regulations must be approved by the Governor in Council, and that he can approve them only after an agreement has been reached between the province concerned and the Federal Government.

Hon. Mr. BUREAU: And the Governor in Council can approve a grant to a province without that province providing a cent.

Hon. Mr. ROBERTSON: No.

Hon. Mr. BUREAU: There is nothing in the Bill to prevent it. In the old Act there was something to prevent it.

Section 4 was agreed to.

Sections 5, 6 and 7 were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

CRIMINAL CODE BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 113, an Act to amend the Criminal Code.

He said: Honourable members, if you look at this Bill you will find that it contains a series of amendments which are unrelated to one another, and that there is no common principle underlying them all. I suggest that we give the Bill the second reading and send it to Committee of the Whole.

Hon. Mr. DANDURAND: As it is an omnibus Bill, we had better go into Committee on it.

Hon. Mr. WILLOUGHBY: I think so.

Hon. L. McMEANS: Honourable members, it has been usual to refer bills relating to the Criminal Code to a special committee. Honourable gentlemen will remember that when the late Senator Ross was leader of the Senate amendments to the Criminal Code were always referred to a special committee, and that certain amendments that had gone through the other House were thrown out when they reached that committee. Amendments were brought forward by the Women's Christian Temperance Union and similar organizations until it almost seemed that any particular group of people could get through the other House a Bill to make a crime of an action that never before had been regarded as such, and simply because the members of that House, who are only human, preferred that it should not be said on the hustings that they approved of such an action. I think it would be better to refer this Bill to a special committee so that we could call the Deputy Minister of Justice or other witnesses who are interested in the Bill. I am one of those who look with great suspicion on amendments to the Criminal Code which make offences of things that never before were offences. This is being done from time to time at the request of this, that, or some other society. To my mind it is a serious matter to amend the Criminal Code, and amendments should not be passed without serious consideration. This Bill makes new offences and creates new crimes, and many of the amendments should be examined with great particularity. I would move the adjournment of the debate in order that the leader on this side of the House may indicate whether or not he consents to the formation of a special committee to consider this Bill thoroughly.

Hon. Mr. WILLOUGHBY: I am quite aware that the policy referred to by the honourable gentleman was adopted on one or two occasions with respect to bills amending the Criminal Code; but at least some of that legislation was of a social character and enacted a certain social code in which many members of this House did not believe.

Hon. Mr. McMEANS: May I ask the honourable gentleman whether he will consent to the Bill going to a special committee?

Hon. Mr. WILLOUGHBY: I will come to that shortly. There is no objection to the Bill going to a special committee if that committee can consider it and dispose of it before prorogation. We have heard that Parliament will prorogue by the end of the week. If we amend this legislation, it must go back to the other House after we have dealt with it. If I were perfectly sure that the appointment of a special committee would not delay the Bill, I would not object to its going to such a committee. I do not think, however, that the Bill contains any of the ultra-moral provisions to which our late leader on this side, and many other senators, took exception. If there is any such provision it is perhaps the one contained in section 2, which deals with parading while nude, and is applicable to the Doukhobors. Personally I have no objection to the course that has been suggested.

Hon. N. A. BELCOURT: There is one observation that I should like to make, whether the Bill is dealt with by Committee of the Whole or by a special committee. Section 3 of the Bill says:

> The said Act is further amended by inserting immediately after section two hundred and twenty-two thereof the following section:—
>
> Every one is guilty of an indictable offence and liable to a fine not exceeding five hundred dollars and not less than one hundred dollars, or to six months' imprisonment, who manufactures, imports, offers for sale, sells, distributes or uses any living culture or preparation of living micro-organisms—

—and so on. Honourable members will recall that on several occasions I introduced into this House a Bill looking to the prohibition of the manufacture, importation and sale of firearms. I think everyone will agree that the section which I have just read is in some way, at all events, quite germane to the provisions of the Bill that I introduced. I may remind my honourable friend (Hon. Mr. Willoughby) that my Bill had the approval and commendation of several—I think most—of the Attorneys General of the provinces and had the strong support of the chiefs of police of Toronto, Montreal, Ottawa, and other cities. I appealed to this House on several occasions to support the Bill, and the House responded by passing it. For some reason or other it was not taken up by the preceding Government and not passed by the House of Commons; that is, the Bill we passed here did not become law. I have appealed to the proper authorities during the present session to take up the Bill passed by this House after very careful consideration, but apparently my appeal has not been heard, for we have now before us, I assume, all the amendments proposed to the Criminal Code—

Hon. Mr. WILLOUGHBY: I presume so.

Hon. Mr. BELCOURT: —but there is no mention in these about firearms. I would ask my honourable friend opposite who leads this House and has charge of the legislation whether he will not remind the authorities, to whom I have referred, to take up that Bill. I believe the time has come when the Government ought to take upon itself the responsibility of introducing on its own account the measure which this House has passed on several occasions. If, as has been suggested, the amendments now before us are referred to a special committee, there will be ample time to have a provision such as I proposed introduced from that committee.

I do not intend at this hour to labour the question or to repeat here the arguments used in support of the Bill, by myself and others, on the different occasions to which I have referred; but I imagine that the reasons that induced this House to pass the Bill on those occasions are still fresh in the minds of all. I think that events which have been occurring weekly, or almost daily, in the last few years have intensified the arguments advanced in its support. It seems to me that a measure to prevent the manufacture, sale and importation of fire-arms in this country has become much more necessary, and indeed urgent, than when we discussed it before. I therefore consider it my duty to appeal to my honourable friend opposite and ask if he will not exert himself to have the Government take up that Bill and make it a part of the amendments to the Code.

Hon. Mr. WILLOUGHBY: The Bill referred to was the subject of a great deal of discussion last year, but I cannot undertake on behalf of the Government to place it on the agenda for next session. We have a member of the Government here. I suggest that, without any pledge being given, the Bill might be brought to the attention of the Deputy Minister or the Minister concerned.

Now, if it be the wish of honourable gentlemen on both sides of the House to send the present Bill to a committee, and if that committee will meet and do its work to-morrow, such a reference is quite agreeable to me. I would ask my honourable friend the leader opposite if that is his wish.

Hon. Mr. DANDURAND: I have glanced through the Bill and have very little to say on the different sections, except clause 2,

which may call for some comment. I have no objection to our examining this Bill in Committee of the Whole; but I am willing that it should go to a special committee.

Hon. Mr. ROBERTSON: I would observe that section 2 refers to conditions that have recently arisen and seem to justify approval of the section as submitted. In the Province of British Columbia the census enumerators have lately experienced difficulties due to conditions that were nothing short of disgraceful.

Hon. Mr. DANDURAND: I am not discussing the merits of the proposition. I am in agreement with virtually the whole section, except that I doubt the propriety of the last paragraph.

Section two hundred and five of the said Act is amended by adding thereto the following subsection:—

"(2) Every one is guilty of an offence and liable upon summary conviction to three years' imprisonment who, while nude,"

—et cetera. That is all right; that meets with my approval; but it seems to me that the last paragraph might well be struck out, because it beclouds the whole of the section. It is this:

For the purposes of this subsection any one shall be deemed to be nude who is so scantily clad as to offend against public decency or order.

I think that might raise considerable discussion. The first part is very clear, and we could all agree to that, it seems to me.

Hon. Mr. WILLOUGHBY: That is, as to a person absolutely nude?

Hon. Mr. GRIESBACH: This particular paragraph is an attempt to describe the meaning of the word "nude." I have consulted the Oxford dictionary, where the definition of "nude" is "naked." This paragraph gives a definition that is not to be found in any dictionary. It is an arbitrary definition, and I doubt the value of it—or of the whole section, for that matter.

Right Hon. Mr. GRAHAM: I agree with my honourable friend from Winnipeg (Hon. Mr. McMeans). We laymen do not know much about these amendments to the Criminal Code, although we shall have to be subject to them, the same as the rest of you. Many an amendment to the Criminal Code is slipped in just to cover some special case that some leading member of Parliament or some leading lawyer or judge has come across in his practice, and perhaps it covers only the one case. We laymen should feel safer if a special committee of the lawyers would take this Bill and examine it.

As for this particular paragraph that we are discussing, I should hate to be on a jury that had to interpret what "nude" meant. I might get the interpretation all wrong. What might be considered nudity by a jury in one part of Canada might not be considered nudity at all in some other section.

If you could put a clause in there to commit men who wear too much clothes in the summer, and add to their discomfort, I should vote for it more readily than for one condemning those who wear too little. We talk about the ladies being subject to fashion, but we men are much worse than they are. We are afraid to go anywhere in our shirtsleeves for fear that some person will object to it, and we wear enough clothes in the summer to protect us against a temperature of ten degrees below zero, and so we suffer. I think there ought to be some amendment to the Criminal Code to indict men for being slaves of fashion, and being so much afraid of what people will say that they wear so much clothes that they are uncomfortable all summer.

Hon. Mr. WILLOUGHBY: As I indicated a moment ago, I have no objection to a special committee, and I will move that this Bill be referred to a special committee.

Hon. Mr. DANDURAND: We will take the second reading first.

The Hon. the SPEAKER: The question, honourable members, is on the second reading. Is it your pleasure to adopt the motion?

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

REFERRED TO SPECIAL COMMITTEE

Hon. Mr. WILLOUGHBY: Honourable gentlemen, I beg to move, seconded by Hon. Mr. Robertson, that this Bill be referred to a special committee composed of the following: Hon. Senators Aylesworth, Dandurand, Foster (Saint John), Griesbach, Marcotte, McMeans, Robinson, Tanner and Willoughby.

The motion was agreed to.

CANADIAN RED CROSS SOCIETY BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 131, an Act to amend the Canadian Red Cross Society Act.

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

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

Hon. Mr. DANDURAND: Should it not go to Committee?

Hon. Mr. WILLOUGHBY: I think it would be quite right to refer it to Committee. I move that it be referred to Committee of the Whole.

CONSIDERED IN COMMITTEE

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

Hon. Mr. Murdock in the Chair.

On section 1—acquisition and holding of property:

Right Hon. Mr. GRAHAM: This Bill enlarges the governing body and gives the organization a little extra power in some respects; that is all there is to it. The part underlined in this section is new. The section says that the Society may dispose of property in any way and on such terms as it may deem advisable, and then these words are underlined:

and may grant, alienate, pledge, mortgage or otherwise dispose of the aforesaid property, estate or rights.

Reading the section hurriedly, I should say that it gives power to the Red Cross that it did not possess before, in disposing of real estate.

Hon. Mr. WILLOUGHBY: That is as I understand it.

Right Hon. Mr. GRAHAM: Of course the Red Cross does great work. The Government is interested in the moneys secured by the Red Cross. The public largely subscribe to the good work being done by that Society. I think the returned men are largely interested in the doings of the Red Cross, because, I imagine, that Society got considerable money out of the canteen funds. I just wanted to know what the section meant.

Hon. Mr. ROBERTSON: The explanatory note makes it clear.

Hon. Mr. WILLOUGHBY: Yes; the Red Cross had been acting as if it possessed the power it is now asking for. Apparently a difficulty arose in its having other people as judges, and accepting their interpretation of its rights. This Bill is simply to give it power to mortgage and sell.

Right Hon. Mr. GRAHAM: And to give title.

Hon. Mr. WILLOUGHBY: Yes, to give title.

Section 1 was agreed to.

On section 2—Central Council:

Hon. Mr. WILLOUGHBY: This is simply an enlargement of the Central Council and the Executive Committee. Subsection 2 deals with a question of internal management.

Section 2 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

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

THE SENATE

Wednesday, July 29, 1931.

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

Prayers and routine proceedings.

CRIMINAL CODE BILL

REPORT OF SPECIAL COMMITTEE

Hon. L. McMEANS presented, and moved concurrence in, the report of the Special Committee to whom was referred Bill 113, an Act to amend the Criminal Code.

He said: Honourable members, the most important amendment that we have made to this Bill is the one with reference to parading while nude. The section of the Bill reads:

For the purposes of this subsection anyone shall be deemed to be nude who is so scantily clad as to offend against public decency or order.

We have stricken out the words "offend against public decency or order" and have substituted the words "expose the genital organs." The reason for that amendment is that magistrates and justices of the peace throughout the country would have been interpreting in many different ways the words "so scantily clad as to offend against public decency or order." What would offend in Montreal might not offend in Winnipeg, or vice versa, and it was thought better to make the section clear, so that there could be no difference of opinion as to what the clause meant.

Your Committee thought it well also to add that no prosecution under the Act shall take place without the consent of the Attorney General in the province in which the offence is committed. It appears from our perusal of this clause that it was intended to operate only in the Province of British Columbia, the only province in which nude processions are held, and that the purpose was to impose a severe penalty in order to put a stop to that sort of thing. At the present time such processions are prohibited, but the punishment is light—only six months in gaol—and the term is regarded rather as a holiday than as punishment. This clause changes it to three years in the penitentiary, and that term will possibly have a different effect.

The last amendment that the Committee made was the striking out of clause 15, which says that an appellant may apply for bail to any judge of a Superior Court or of the Court of Appeal. The present Act provides that the Chief Justice or the Acting Chief Justice of the Court of Appeal or a judge of that court to be designated by him may, if he sees fit, admit the appellant to bail. Representations were made to the Committee that this proposed section might be dangerous, as a convicted man might be let out on bail without the knowledge of the Chief Justice or the Acting Chief Justice, and might jump his bail and escape the penalty. It was thought wise that the present statute should be left as it is.

Hon. N. A. BELCOURT: Honourable members, I should like to suggest to the honourable gentleman that the purpose of the Committee with regard to section 2 of the Bill would be completely met by the elimination of the last clause of that section, which reads:

> For the purposes of this subsection any one shall be deemed to be nude who is so scantily clad as to affend against public decency or order.

In other words, there would be no necessity for the new definition that the Committee has suggested if these words were stricken out.

Hon. Mr. GRIESBACH: What words?

Hon. Mr. BELCOURT: The whole of that paragraph I have read.

Hon. Mr. McMEANS: I might be able to explain the Committee's view.

Hon. Mr. BELCOURT: Perhaps it would be better that I should explain my point first; then my honourable friend would be in a better position to deal with it. I think that in section 205 as amended, subsection 2, paragraphs (a), (b), (c) and (d), there is a complete provision to cover the matter in question. The only thing that makes these four paragraphs somewhat ambiguous is the defining paragraph at the end, which I submit should be striken out.

Hon. Mr. GRIESBACH: Does my honourable friend understand the word "nude" to mean naked?

Hon. Mr. BELCOURT: Yes.

Hon. Mr. GRIESBACH: Suppose a man had a handkerchief around his neck.

Hon. Mr. BELCOURT: My honourable friend gave us the Oxford dictionary definition of the word "nude" yesterday, and I think that definition is quite right. Nude means naked.

Hon. Mr. GRIESBACH: Then a man with a handerchief around his neck would not be nude, and therefore would not offend against the statute?

Hon. Mr. BUREAU: Suppose he had a ring around his finger.

Hon. Mr. BELCOURT: The dictionary definition of the word "nude" is "naked." A man is not nude if any part of his body is covered.

Right Hon. Mr. GRAHAM: Or if he is wearing spectacles?

Hon. Mr. McMEANS: The purpose of the definition, as I understood it, was to prevent the Doukhobors from violating the intent of this amendment to the Code by wearing nothing but a coat, or a pair of shoes or socks, or something of that kind. Some definition is necessary to make it clear when a person should be deemed to be nude, and the only way the Committee felt that could be done was to provide that a person should be deemed to be nude if a certain part of the body was exposed, whether any clothing was worn on other parts or not. It is a rather difficult question to deal with.

Hon. Mr. BELCOURT: The only point I am making is that paragraphs (a), (b), (c) and (d) of subsection 2 are ample for the object at which we are aiming, and there would have been no confusion in anyone's mind if the defining paragraph had not been added. Evidently the gentleman who drafted the Bill thought it necessary to put in those words at the end to remove the possibility of doubt, but in my opinion he has only made the thing ambiguous.

Hon. Mr. DANDURAND: Would my honourable friend read the Committee's suggested amendment that would make it necessary for the Attorney General of the province to give his consent before a prosecution could be begun?

Hon. Mr. McMEANS:

No action or prosecution for a violation of this section shall be commenced without the leave of the Attorney General for the province in which the offence is alleged to have been committed.

In the Lord's Day Act there is a similar provision, but it goes further and limits the time for bringing an action to sixty days from the time of the commission of the alleged offence.

The report of the Committee was concurred in.

THIRD READING

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

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

DAIRY INDUSTRY BILL

FIRST READING

Bill 16, an Act to amend the Dairy Industry Act (Increase of Penalties).—Hon. Mr. Pope.

SPECIAL WAR REVENUE BILL

FIRST READING

Bill 106, an Act to amend the Special War Revenue Act.—Hon. Mr. Willoughby.

CUSTOMS TARIFF BILL

FIRST READING

Hon. Mr. WILLOUGHBY presented Bill 111, an Act to amend the Customs Tariff.

Right Hon. Mr. GRAHAM: Is this final?

Hon. Mr. WILLOUGHBY: I think so, for this session.

The Bill was read the first time.

OLD AGE PENSIONS BILL

FIRST READING

Bill 136, an Act to amend the Old Age Pensions Act.—Hon. Mr. Willoughby.

CHICOUTIMI HARBOUR LOAN BILL

FIRST READING

Bill 141, an Act to provide for a further loan to the Chicoutimi Harbour Commissioners.—Hon. Mr. Willoughby.

Hon. Mr. BELCOURT.

IDENTIFICATION OF ALIENS BILL

MOTION FOR THIRD READING WITHDRAWN

The Senate resumed from July 22 the adjourned debate on the motion of Hon. Mr. Beaubien for the third reading of Bill A1, an Act to provide for Alien Identification Cards, and the amendment of Hon. Mr. Murdock that this Bill be not read now, but six months hence.

Hon. C. P. BEAUBIEN: Honourable members, as I understand the Hon. the Minister of Labour intends to say a few words on this matter, I gladly make way for him.

Hon. G. D. ROBERTSON: Honourable senators, discussion on this Bill took place during my absence in Western Canada, and perhaps I have been dilatory in not reading the whole of it. After a rather superficial survey of the measure I feel that it concerns an important matter and that we ought not to be under any misapprehension as to what would be the effect of it if adopted. There may be some room for doubt as to the proper understanding and interpretation of the word "alien," because there are in Canada a great many people who are natives of other countries and might be looked upon in some quarters as aliens. I understand the Bill does not contemplate that citizens of the great republic to the south of us should be so regarded, or that any of them who are among us should be interfered with in any way.

The suggestion has been made that before a Bill of this kind is brought down it ought to be considered by the Government of the day, because it has a bearing upon naturalization and immigration. I would respectfully suggest that it might be wise not to give this Bill a third reading now, but to let the matter stand until another session, when it might be considered not only by honourable members of this House, but also by the Government itself.

Hon. Mr. MURDOCK: Hear, hear.

Right Hon. Mr. GRAHAM: Hear, hear.

Hon. Mr. ROBERTSON: There are many features of the Bill towards which I am sympathetic. I think there are evidences around us, and have been for some time, of the necessity for greater restrictions and more care in the selection of people whom we admit into our country as citizens. I suggest it would be wise to let the Bill stand for the present and to reintroduce it, if desired, near the opening of next session, so that ample time might be available for the consideration of it.

Right Hon. Mr. GRAHAM: Hear, hear.

Hon. C. P. BEAUBIEN: Honourable senators, I presume it would be difficult for the Committee to which this Bill was referred not to accept the recommendations that have come from both sides of the House, and just at this moment from the representative of the Government. I feel that the purpose behind such recommendations has been not to defeat the measure, but to perfect it so that it may be in such commendable form as readily to meet with acceptance in both Houses next session. In the name of the Committee I therefore willingly consent to the withdrawal of the Bill for this session.

May I take this opportunity of expressing a thought that has occurred to me? It is very easy to throw a doubtful colour on new legislation. Anyone who takes that attitude on a proposal for meritorious legislation renders the country a disservice. There is no doubt that the purpose of this measure is good, although the means by which the Bill was intended to attain its object may not have been perfect. But, I ask in all earnestness, why give this Bill the colour of an Act likely to lay discredit at the door of aliens in this country? Is it not a fact that the aliens who live here are interested in order being maintained in the country just as much as the Canadians themselves? Now, is it an extraordinary thing to request from such aliens that they co-operate with us in a reasonable measure, the purpose of which is to preserve order? I trust that my colleagues will fairly consider this measure as one intended to obtain from aliens their support and co-operation in legislation that is necessary for public order. Why not present it to the public in its proper light? Although it may be slightly troublesome for aliens to register and take out cards, they cannot fail to understand that this precaution is in their interest, as well as for the good of all Canadian citizens.

Now, honourable gentlemen, my last thought is this. We are heading towards a hard winter, and hard days are heydays for trouble-makers. It is quite possible that next session additional and perhaps more pressing reasons will call for this legislation, which tends to the better control of the troublesome foreign elements in this country. With the hope, at all events, that the Government will take a keen interest in this matter, amend the present draft if necessary, and bring it in as a Government measure next session, I beg leave to withdraw the Bill.

Hon. JAMES MURDOCK: Honourable gentlemen, my honourable friend from Welland was slightly in error, I think, when he spoke of this Bill as being discussed while he was in Western Canada. If he will look at the records of the House he will find that the important discussions on this Bill took place on July 15, and particularly on July 22, just seven days ago. At that time an amendment was moved to give it a six-months hoist.

Hon. Mr. ROBERTSON: I was in Toronto on the 22nd.

Hon. Mr. MURDOCK: Well, I have no objection to my honourable friend's statement, but I want to call his attention to the fact that the discussions were of more recent date than his trip to Western Canada. I think the debate which took place on July 22 indicated, without a vote being taken, that the sentiment of this House was very substantially against this Bill as brought down. I said then, and I repeat now, that I am all for a real, honest-to-goodness identification card, but this half-baked measure was simply a pretence of doing that which was necessary. So that a vote might not be taken, this Bill has been permitted to stand from July 22 until to-day. I have not the slightest objection to my honourable friend from Welland assisting my honourable friend the sponsor of this Bill in dealing with it, if the assistance is necessary in order to save the distinguished countenance of that distinguished gentleman; and I acquiesce in the withdrawal of the Bill.

The amendment and the motion were withdrawn.

CANADIAN NATIONAL RAILWAYS FINANCING BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 79, an Act respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1931.

Right Hon. Mr. GRAHAM: Explain it. What is it?

Hon. Mr. WILLOUGHBY: I do not know that anybody can give further explanation than is to be found in the Bill itself. As we know, the Canadian National Railways always need money; that does not require any explanation at any time. This is a Bill conferring power to borrow $68,500,000. We might be shocked if the figure were less. It is a good round sum, and is intended to make up net income deficits, including profit and loss, but not including interest on Dominion Government advances, not exceeding $31,367,882.56; also for equipment principal payments, sinking funds, etc. It is one more load that

it has been necessary for this Government to carry in financing its own child, the Canadian National Railways.

Right Hon. GEORGE P. GRAHAM: Honourable members, I crave the indulgence of the House for a few minutes while I discuss in a frank way the question of transportation in Canada, and perhaps elsewhere. The demand comes in the form of a Bill at this session.

Hon. Mr. ROBERTSON: Instead of an estimate.

Right Hon. Mr. GRAHAM: This is a change from the method of placing the amount in an estimate to which there was attached, for the purpose of covering all the peculiarities that might arise in securing the money, a long explanation which was understood by some people, but, I am afraid, not by the vast majority, even in this House. I think that this plan is an improvement, because the Bill gives an explanation and leaves the House freer to discuss the question than it would be to discuss an estimate presented in the last few hours of the session. Of course this Bill will pass, as did the estimate, for it is a money Bill emanating from the Government. I think this is an improvement on the old method because in my time as Minister I occasionally had great difficulty in explaining the meaning of the "explanation" at the foot of the estimates.

The situation of railway companies throughout the world, at the present moment, is not inspiring, and Canada is no exception in this respect. In the executives of the two great railways of this country we have men who are, in my opinion, equal to the executives of any railway company anywhere—and I have met a great many of them, as has my honourable friend during the course of his lifetime. The fact that our railway companies have not the net or the gross earnings that they enjoyed in better times is not a conclusive argument, in fact is no argument at all, that those railways are not being well managed. Every railway company I know of in the world is encountering a similar experience in regard to earnings. The Canadian National have in Sir Henry Thornton and Mr. Hungerford—to mention just one of his staff—and the Canadian Pacific have in Mr. Beatty and Mr. Grant Hall, men who are, I think, equal to any officials I have known or read of in similar positions.

Why are the railways not prosperous at the present time? For the same reason that so few of us are prosperous in our businesses. The prevailing conditions strike the railway companies perhaps harder and more quickly than they strike any other business organization in the country. If the people are not raising crops to be transported, there is little for the railways to do. Immediately the numbers of trains and train crews have to be reduced, and this reduction is felt in every hamlet in the Dominion of Canada, and particularly in railway centres. I need not dilate on this point further than to suggest to the House that in my humble judgment the railway companies of Canada are not experiencing the best of the conditions in this country. Some of our people, with whom I do not particularly want to associate myself, always make a point of taking a whack at the railway companies when they run short of other material, because such criticism sounds well; but under present conditions, I think, the railway companies of Canada are doing all that can be expected of them.

I know that some honourable gentlemen will say that railway rates in Canada at present are high, but comparatively they are not. The rates in the republic to the south are considerably higher than the Canadian rates, yet in the United States an application has been made for an increase, and that claim is now being pressed. Whether it will be granted or not I do not know, but it shows the trend of thought among the railway companies there. A great many changes and plans have been proposed in order to improve their conditions. The Canadian railways obtain their traffic from a sparse population, consisting in certain districts of only a few persons per mile as compared with thousands per mile in some parts of the United States. Outside of the business that the Canadian Pacific and Canadian National Railways do in the United States, where the average density of population is much greater than in Canada, our railways serve a population that is very meagre indeed; and when with this fact is considered the long haul, such as that from the Prairies to the East, or that from the East to the West with return cargoes in payment for the Western wheat, it will be seen that the Canadian railways are very badly handicapped.

Some person has said that it would be wise to take up some of the tracks on one of our railways and use the grade as a highway. I have not looked into that matter, but it must be borne in mind that all there would be in that grade for use as a highway would be the right-of-way. The grade itself would have to be made over in order to accommodate a highway sufficiently wide to take care of the traffic. Then there is this other

point, which is particularly applicable to a Government-owned railway, that when a railway line was constructed communities grew up on either side of it, and to take away from them the transportation facilities that induced them to go into those sections is not so easy as it may seem, and any Government considering the question from the national standpoint would hesitate to take the risk of doing that.

It has been said that the present is a time for economy, and I agree thoroughly with that statement. I am strongly in favour of economy on our transportation lines so long as the economy does not allow the lines to deteriorate below the standard of efficiency and safety necessary in the interests of the country and the people. It is not easy to point out just where economies should be effected, and I am not sure that we can progress very far along that line. No men know better than the railway managers where further economies can be effected. I do not pretend to know much about the transportation problem and the inner working of railway companies, though it would not be presumption if I said that I knew at least as much as a great many other people. However, it is quite proper to impress upon our railway companies the great importance of economy. I believe that this has been done and that they are doing their best to bring expenses down to the lowest possible level consistent with due regard to proper standards of efficiency.

To my mind the Canadian Pacific Railway is the greatest transportation company in the world, and it is well managed. The Canadian National is the longest railway system in the world, and I submit that under all the conditions it also is well managed. May I be pardoned for pointing out that a private corporation is not nearly so difficult to manage as a publicly-owned concern. Every member of Parliament has a personal interest in a public utility, because he represents the people who own it. When I was Minister of Railways I sometimes felt that members were taking too keen an interest; I mean, superficially. Yet it must be admitted that in a Government-owned utility such as the Canadian National Railways every member of parliament has a deeper interest than he would have in a privately-owned company. That portion of the public who have an interest in a privately-owned company are the shareholders, to whom the directors are responsible. The directors, largely, do the business. I might go further and say that in any private company most of the business is done by the executive officers, who are confirmed in their action by the directors, and that at shareholders' meetings the shareholders are usually represented by proxies and there is seldom any great excitement. But the people have a right to take an interest in a publicly-owned utility, and members of Parliament have a right to do certain things that the people expect them to do. They are not entitled, however, to dictate exactly how the utility should be managed, because in that they are amateurs and they would be tackling a professional problem. The question has been put to me: "What would the management of any private company do if the shareholders were to grill them for a month, and if everything said were taken down, and discussed everywhere?" My answer is that they would not stand for it. It is unthinkable that they should. I do not criticize that method, because the people feel that Parliament is the place to obtain the information they want, and they expect the members of Parliament to get it for them. However, I think that is as far as members of Parliament should go in interfering with the management of a public utility company. The Government should keep an eye on expenditures and returns, but the management of the railway should be left to the executive. That is the system that has always been followed heretofore.

It might not be out of place for me to say that if it be wrong for us to have the Canadian National Railway System, the management of that system is not responsible for that condition. This House, jointly with the House of Commons, is responsible for the buying of what is now the Canadian National Railway System, and for handing over the management to a board of directors. If the present Canadian National management had been asked to provide Canada with a railway, would they have built the various lines that were handed over to them? Surely not. Nevertheless, they are asked to manage those lines.

There is a difference between a privately-owned company and a public utility. I will state that difference as clearly as I can, and in doing so I will use the names of our two railways, though what I say applies to any private company and any public utility. The management of the C.P.R. has to manage a combination of what I might call previous successes. The lines of that railway were built where the C.P.R. wanted them, and where it was believed they would secure, at least in time, sufficient traffic to make them pay. The Canadian National management, on the other hand, has to manage a combination of previous failures, and must

make every effort to consolidate them so as to establish an efficient transportation system. One of the difficulties—and you can see it at a glance—was to harmonize the officials of the two old companies, between whom there were certain jealousies, some of which perhaps are not yet dead. I can assure you, honourable gentlemen, that at the time of the bringing together of the two sets of executive officials and employees there existed considerable friction and not a little jealousy. How could it be otherwise? But I say with all confidence that no man I have ever met could have succeeded better than Sir Henry Thornton in dealing with such a situation, owing to his peculiar ability in that respect. Men were brought into the same office who had previously been opposed and almost antagonistic to one another. They were asked to work together harmoniously. Human nature is human nature, and the men from the Canadian Northern thought that the men from the Grand Trunk were getting the plums, and the men from the Grand Trunk thought the men from the Canadian Northern were getting them. Sir Henry Thornton's first great task was to bring about harmony among those men. He was asked to take control of railways that had previously been in competition, and railways that had been built by Governments from a national standpoint and were never expected to pay, and to weld them into one paying system—a task comparable to that of a person asked to buy half a dozen houses in different parts of the city of Ottawa and make a hotel of them. I submit that the difficulties were almost insurmountable and that under all the circumstances Sir Henry has done marvellously well.

When this matter was being discussed by the Government and he was asked to undertake this work I said to him, in the presence of the Prime Minister: "Sir Henry Thornton, I want to point out to you that you are undertaking the biggest railway job in the world. You will have to answer to Parliament; you will have to answer to every member of Parliament, directly or indirectly; you will be subjected to requests, complaints and criticisms that no head of a private company would have to submit to. You had better think before you accept the position. All these things will come, and I want to warn you of them now." The reply of Sir Henry was characteristic of him. He said: "I like hard jobs. If it weren't a hard job, I wouldn't take it." It was under those conditions that he was engaged, and again I want to point out that I think he has done remarkably well.

Now let me say a few words as to criticism. First of all I want to inform the press and the people who criticize the construction of the Toronto terminals—and they are costing a good many millions of dollars—that there existed in Toronto a situation that had to be remedied. That situation was not the fault of the Canadian National management. The problem was handed over to the railway officials and they were told to work it out. Years before the Board of Railway Commissioners had ordered the removal of level crossings or street grades in certain sections of the city of Toronto, the cost of this work to be shared by the City of Toronto, the Toronto Harbour Commissioners, and the railways. For years the project had been hanging fire. The liability of the Grand Trunk Railway Company in this connection having been assumed by the Canadian National Railway System, the Canadian National was desirous of getting it somehow out of the way. I am not sure whether a lawsuit had been entered; at least, one was threatening. I paid a good many visits to Toronto, and finally, through the efforts of Colonel Dubuc and the late Mr. Graham Bell, the parties were brought together on a proposal, to which all agreed. Then the money was voted and the work begun. How could the Canadian Government escape the obligation to carry out, at least approximately, the contract that had been made by the company that it acquired?

Then take the situation in Montreal. I will say that that city was much more patient than Toronto. In regard to Montreal the Railway Board made a similar order, under which the Grand Trunk Railway was to elevate its tracks in that city. Not only the citizens of Montreal, but, as well, all persons who have ever visited that city, must realize the danger arising from level crossings there. During its later years the Grand Trunk Railway did not have money to carry on the work. When the Government took over that railway with all its liabilities, including this order of the Board of Railway Commissioners, this matter came up for consideration, and a question arose among the engineers as to whether the order should be carried out literally or whether a larger plan for the development of a terminal should be adopted. I may say that personally I favoured joint terminals. I may say also, without fear of contradiction, that neither party seemed to be prepared to join with the other to secure them. After full discussion, and after the matter had been placed before Parliament by the officials of the railway, the larger work was decided upon, because it was recognized

that the work that had been ordered fifteen years before would not be suitable to the Montreal of to-day. The work is costing a great deal of money, but I submit that the Canadian National management is responsible only to the extent that the work it has undertaken goes beyond what originally was ordered by the Board of Railway Commissioners. All the management did was to point out that if the work was going to be done it ought to be done properly in the first place, so that it would not have to be changed within a few years. Therefore the proposed expenditure is chargeable only in a comparatively small degree to the Canadian National management.

Criticism has been directed also at the building of the Vancouver Hotel. The Canadian National Railway management was not responsible for the building of a hotel in Vancouver. I may tell honourable members that I held off the building of the Vancouver Hotel as long as possible. That hotel was built in accordance with the terms of an agreement under which the Canadian Northern Railway was given certain properties and privileges. The building of the Canadian Northern in British Columbia was not a federal matter. Mackenzie and Mann entered into an agreement with the Government of the day in British Columbia, whereby that province should have control in the matter of rates, and the authority of the Board of Railway Commissioners to fix rates should not be recognized. Later the Canadian Northern Railway in British Columbia became voluntarily, or was declared to be, a work for the general advantage of Canada—I forget which. In any event there was a liability, and members of this House and members of the House of Commons cannot get away from the fact that when we bought that railway we assumed that agreement. So there can be no criticism of the management of the Canadian National for the erection of the hotel in Vancouver. I am not criticizing anybody. I am simply outlining the situation. The Canadian National Railways made a compromise and carried out only a small part of the undertakings of the Canadian Northern Railway which had been promised in exchange for privileges received from the Province of British Columbia.

I am not trying to defend extravagance. I believe that in times like this none of us is hurt by being shaken up a bit and told that we must live a little more economically until times improve. I understand that both our railways are reducing expenditures and cutting down capital investment. What the future holds for transportation companies I do not know. I have confidence, however, in our railways. If I had any C.P.R. stock I would hold it, because I think that, with the brains that are behind the company and the natural resources that we have in this country, it is a perfectly safe investment.

As to the amalgamation of lines I do not know what to say. My honourable friend from Bedford (Hon. Mr. Pope) touched on that matter the other day. On more than one occasion it has been pointed out to me that such a course would be the proper one to pursue. As to that I am not sure. I should not like to say that I am in favour of such a proposal at the present time. To my mind a Government monopoly is not much better than any other kind of monopoly. The rates of a railway, whether privately or publicly owned, can be controlled by a commission; but without competition the accommodation that you are going to get cannot be controlled. Before there was keen competition between our railways there used to be many complaints about the service. If my honourable friend from Winnipeg (Hon. Mr. McMeans), for example, wanted a car on Tuesday for the shipment of wheat, he might not get it till Thursday. Of recent years, with competition, a car is at the shipper's door almost before he asks for it. Representatives of both companies attend every meeting of farmers or shippers to inform them of the benefits of using a particular line.

Hon. Mr. McMEANS: I should like to ask the right honourable gentleman a question. Did he attend, or did he read the report of, the committee of the Senate that secured the evidence of United States experts as to what should be done with the Canadian Pacific Railway and the Canadian National Railways? It is my opinion that if the recommendations of that committee had been followed this country would have saved many millions of dollars. The committee, which met about five years ago, took evidence behind closed doors, because the witnesses would not give evidence if it was going to be published. I just call the right honourable gentleman's attention to that report in case he has forgotten about it.

Right Hon. Mr. GRAHAM: I am sorry to say that I had not the honour of being a member of the Senate at that time, and did not get behind the closed doors. One can gain a great deal of information at a meeting of that kind that cannot be obtained from the printed report. The suggestion at that time was, if I remember, that the two lines should retain their entities, but that they should be operated under one management.

Hon. Mr. LAIRD: Was the right honourable gentleman not a witness before that committee?

Right Hon. Mr. GRAHAM: Unfortunately the Senate committee did not recognize my abilities along that line.

Hon. Mr. LAIRD: I thought the right honourable gentleman was a witness.

Right Hon. Mr. GRAHAM: No. If I had been, I would have remained long enough to get some information.

Hon. Mr. LAIRD: They missed something.

Right Hon. Mr. GRAHAM: Not so much as one might imagine. What was proposed at that time might work out, but some of the conditions in connection with the arrangement, as reported in the newspapers, were to my mind impracticable. But honourable gentlemen know better than I do what the report contained. The time may come for further conversations in regard to what can best be done.

If I am not being too wearisome, I want to refer briefly to automobiles and trucks. The municipalities are getting the worse end of the deal with the truck business. In Ontario—and I suppose the same condition obtains in every other province—the main street of most towns is the truck highway, but the province does not contribute one cent towards the upkeep of it. In Brockville, for instance, the main street is about a mile and a half long and is very expensive to maintain. Trucks, sometimes with one or two trailers—small trains—are travelling over it throughout the night at a speed of from thirty to fifty miles an hour, regardless of the legal rate, and do more damage to the highway in one night than our local traffic would do in years. I think the time has come when the provinces, which collect taxes from gasoline sales, automobile and truck licences, and so on, should make some contribution towards defraying the cost of keeping up the highways within the borders of the municipalities. I do not know what will happen in the future. It has been suggested that public conveyances such as trucks and buses should be placed under some restriction or control as to rates of speed and matters of that kind. Railways are under restrictions and can be commanded to comply with them; but no one can interfere with trucks and buses unless they violate the law, and many of them break the speed laws at night without being detected.

Hon. Mr. BEIQUE: Restrictions are made by the municipalities.

Right Hon. Mr. GRAHAM: But most of the municipalities are asleep at that time of the night.

Another suggestion has been made by a gentleman who has studied the question, that trucks and buses should not only be placed under control, but should provide their own highways. I think that is impracticable, and I think that the people are being so accommodated by these conveyances that they would hesitate to approve of such a suggestion. But something must be done to equalize the taxation among municipalities, railway companies, and truck or bus companies and other competitors of the railways. I do not want to take up more time—

Hon. Mr. WILLOUGHBY: Go on.

Right Hon. Mr. GRAHAM: I do not want to take up more time, but I am rather enjoying the discussion, although I cannot give much information. I look upon this whole matter with considerable seriousness; not that I have much doubt of the ultimate success of the transportation companies.

Hon. Mr. LAIRD: Has the right honourable gentleman any comment to make upon the Merchant Marine and the loss of $80,000,000 that it entailed?

Right Hon. Mr. GRAHAM: I had forgotten it, but I shall gladly oblige my honourable friend. The acquisition of the Canadian Merchant Marine was a war-time development, although, I imagine, most of the vessels were built after the war. At that time—and I want to put forward the best side for the predecessors of the Liberal Government—there was a shortage of tonnage all over the world, owing to the war losses, and the Canadian Government undertook to build some fifty ships, if I remember rightly, or perhaps a few more. In doing so it was trying to meet the demands raised by our own people for more tonnage. Of course, war-time prices prevailed and the ships were constructed at considerably higher cost than they otherwise would have been. As I remember it, there was considerable work for the Merchant Marine to do for a time after the war ceased, and they were assigned to various routes. These vessels never have paid and they are of a type that never will pay, under our present transportation conditions. When I investigated the matter some years ago I found that their style of construction prevents their being used satisfactorily for the carrying of grain and other products from the West, or in the lake trade generally, although some of them were engaged in this work. The Government tried to

utilize this fleet of vessels, or most of them, in extending the trade of Canada with other countries. Some of them were put on the West Indies service, and a few were sent on more distant routes, to Australia and all over the world; others were used for the carrying of wheat. Although there has been a heavy loss, largely owing to the conditions prevailing when the ships were constructed, and to the method of construction, still the Merchant Marine has made Canada known in a great many ports of the world where perhaps otherwise it never would have been heard of. My own view is that the sooner what is known as the Merchant Marine can be weeded out and sold—I am not referring now to vessels that ply between Canada and the West Indies—the better it will be for all concerned. I would go even further and say that the ships should be weeded out even if they could not be sold, so that we might get rid of the deficit, because I see no future for them. In order to make the Merchant Marine pay we should have to get modern vessels, as we found it necessary to do on the West Indies route before we could comply with the conditions of the treaty with those islands.

I apologize to the House for talking at such length. In concluding I want to point out what the Canadian National has accomplished by way of improvement in conditions up to 1930. The figures I shall quote do not take into consideration the Eastern lines, what we know as the Intercolonial Railway, because they were not taken over until after the Duncan Report, if I am not mistaken. In 1922 the annual net receipts by the railways that are now known as the Canadian National were $1,174,475.94.

Hon. Mr. GILLIS: Did that include the American lines?

Right Hon. Mr. GRAHAM: That includes the net income from all the lines.

Hon. Mr. GILLIS: Except the Eastern lines?

Right Hon. Mr. GRAHAM: Except the Eastern lines. I will not go back and refer to them now, although I had intended to.

Hon. Mr. BELCOURT: Are those receipts from all traffic?

Right Hon. Mr. GRAHAM: Freight and passenger traffic; all kinds of traffic. A railway can make up so many sets of figures that it would take hours to go through them, but it is possible to get them boiled down to a point where they may be grasped by a layman. In 1923 the net income had increased to $12,946,847.85. The figures are:

1922	$ 1,174,475 94
1923	12.946.847 85
1924	14,474,944 27
1925	30,219,275 89
1926	41,898,277 08
1927	37,437,590 46
1928	49,491,374 76
1929	37,706,734 44
1930	21,701,682 88

The year 1928 was a banner year, 1929 was medium, and 1930 was lean.

I put these figures on record to emphasize my point, that, considering the previous failures handed over to the Canadian National System to be consolidated, I think the record of management of that consolidation ought to be satisfactory to the people of Canada.

Hon. Mr. McMEANS: Can the right honourable gentleman tell us how much extra capital investment was involved in the production of the results that he has referred to?

Right Hon. Mr. GRAHAM: Very many millions.

Hon. Mr. McMEANS: It is an easy matter, after the spending of four hundred or five hundred millions, to get something out of it.

Right Hon. Mr. GRAHAM: Of course, I did not buy these consolidated failures.

Hon. Mr. FORKE: Why was it that the receipts dropped from forty-nine millions in 1928 to twenty-one millions?

Right Hon. Mr. GRAHAM: They dropped from forty-nine millions to thirty-seven millions in 1929. The reason is that the railway has been affected by hard times, in common with every other industry. I imagine that the smaller shipments of wheat from the West were responsible for a decrease in traffic.

Hon. Mr. FORKE: Exactly. When the right honourable gentleman was Minister of Railways it was contended in another place that wheat was carried at a big loss to the railways; that the farmers of the West were, in effect, getting a bonus.

Right Hon. Mr. GRAHAM: I should like someone to get Hansard and show me when I said that.

Hon. Mr. McMEANS: That was a common statement.

Right Hon. Mr. GRAHAM: I have heard it said. But the railways cannot make money if their cars carry a load only one way and return empty. If there were no eastbound

traffic it would be necessary to charge a higher rate than anyone would want to pay for freight going to the West.

I believe in the strictest economy by the Dominion Government as well as by everybody else. I am not strongly in favour of requests from the provinces for us to dig into the federal treasury whenever they want some assistance. The Dominion Government carries a very heavy burden resulting from the war. Business men are being highly taxed. Ontario has begun to tax them this year as it never did before. I believe in the future of Canada under economic and safe management. If we let the executives of these two railways work together harmoniously and serve the people of Canada at the lowest possible rates, it will not be long before the depression comes to an end and the incomes of the railway companies are revived. There is no fear in my mind that railway securities in the Dominion of Canada will not be paid in full.

Hon. G. D. ROBERTSON: The right honourable gentleman has made a very interesting speech on railway operations. I do not intend to invade that field, but I should like to say a few words on the Bill before us. Its purpose is to provide moneys whereby the expenses, obligations and deficits of the Canadian National Railways may be met. I agree entirely with my right honourable friend that our two great railways are being efficiently managed, particularly since the extravagant capital expenditures on one of them have been curtailed. Both have been going through severe times, and the reasons are not far to seek. In 1928, one of the years mentioned by my right honourable friend, Western Canada produced more than 500,000,000 bushels of wheat, which sold at $1.25 a bushel or higher. In the present year there will be less than 200,000,000 bushels produced in the same area, and the price, roughly, is 60 cents. So it is not difficult for any person, whether a railway expert or a layman, to understand why the railway companies are experiencing a depression.

The conditions which have brought about the tremendous reduction in the purchasing power of the people in Western Canada are the result, not of anything done by the railway management, or by members of Parliament or any other person, but of an act or dispensation of Providence. Railways are unable to earn revenues as large as they could in 1928, 1929, and some previous years. Only 744,000 cars of freight had been loaded on all the railways in Canada during the first six months of this year, as compared with 1,143,000 cars in the corresponding period of 1929. The figure for the similar period in 1930 was between those two. The railways are suffering because of decrease in traffic, for which neither the Government nor the companies are responsible.

More than 20,000 railway employees have lost their employment. In my humble opinion there is a limit to which economy can be carried with safety in railway operations. I am not at all sure that maintenance work is being kept up on the railroads to the point that safety requirements would dictate.

It is of course desirable that in all walks of life, during such a period as we are passing through, an endeavour should be made to reduce expenditures in accordance with the reduction in earnings, and this is more necessary now than in the heyday of prosperity. My right honourable friend has given us an excellent report on the management of our railways. That other great railway system, which has been as hard hit as the National System and which has to pay its own way, has been forced to reduce its dividend payments largely because it is the heaviest taxpayer in Canada and is helping to pay the deficits on the lines of its competitor, the payment of which deficits is guaranteed by Bills like the present one. It is important to Parliament and to the country that every care should be exercised to see that economy is practised sanely, but not so extremely as to render dangerous the operation of the railways and thus adversely affect the public interest.

May I say a word with reference to railway rates? In Canada these are to-day approximately twelve to twelve and a half per cent lower than in the United States. Notwithstanding that difference, American lines are asking for an increase in their rates. The railways in the United States have an advantage over Canadian lines also in density of population: we have about 220 persons to the railway mile, whereas they have 486, or more than double the number. Our railways have to contend not only with lower freight rates, but with more difficult climatic conditions than generally prevail in the land to the south.

I am not sure that it is wise for this House to discuss freight rates in detail, because there is a tribunal charged with the responsibility of regulating those rates, which has been established for many years and enjoys the confidence of the people of this country. It is not my purpose to criticize anything that has been done in the past, but I would point out that we may well reach a point where the existing scale of freight rates

will not be sufficient to maintain reasonable speed and a reasonable standard of efficiency on these great transportation systems. So the question of freight rates is a very important one and should receive the careful thought of every public man.

I want to add my tribute of admiration and congratulation to our great railway companies, which during the present period of depression have tried to aid in the general attempt to provide employment and relieve distress. Both of those great railways came forward a year ago and after a short discussion voluntarily offered to do what they could to create employment opportunities; and although they have had to reduce their own staffs by over 20,000 men within the past eighteen months, because of necessities which my right honourable friend has pointed out, they have been able to absorb a very substantial number of those men in employment of various kinds, though at less remunerative rates than their regular employment afforded. The expenditure of a score of millions of dollars by the two railway systems within the past twelve months, on work which is proceeding towards completion this year, has greatly aided in mitigating unemployment. I doubt that the aid those railways have given to the people of Canada in relieving distress and need has been fully appreciated.

There is need at the present moment, and there will be continued need, for further effort to assist in solving the great problem now confronting us, which is being discussed in another place, perhaps this afternoon. The purpose of the present Bill is simply to bring relief to the Canadian National Railways by enabling them to meet their obligations, and the deficits on their operations during the present period of depression. I am confident that my right honourable friend was correct when he expressed his faith in the future and pointed out that although Canada has had several periods of depression that have affected the transportation systems as well as general business, there has always followed a revival. This year in Western Canada there is a terrible situation, owing to crop failure over a large area, and in a very substantial area this is the third year of such experience. Never in the history of Canada have there been more than three successive crop failures in any given area, or over any large area, and we may with confidence assume that we have reached the bottom of the depression and that future years will hold better things in store for general business, for individuals, and for the transportation systems, which are so vital to the requirements of the Canadian people.

While I gladly join in the expression of my right honourable friend that we can look with confidence to the future stability of our transportation system, I would add, without naming any particular Government, that I think Governments and Parliament have gone rather far in continuing to purchase bankrupt scrapped railroads and add them to the Canadian National System. A number of such purchases have been made within very recent years, and it is my humble opinion, from the little knowledge I have of railway matters, particularly from observation, that those roads cannot be made profitable for a very long time, if they can ever be. I trust that this Parliament will exercise greater care and greater economy in both the building and the purchasing of railroads until we have business enough to pay for the reasonable operation of the roads now existing.

Hon. Mr. BELCOURT: Will my honourable friend permit me to ask him a question?

Hon. Mr. ROBERTSON: Surely.

Hon. Mr. BELCOURT: With reference to the amounts mentioned in this Bill—in section 2, paragraph (a) $31,367,882.56, in paragraph (b) $9,299,613.44, and in paragraph (c) $27,832,504, totalling $68,500,000—I would ask whether those different amounts to which expenditures were made or indebtedness incurred during 1931 were the subject of inquiry by the committee of the other House which sat for a great part of this session and inquired into the affairs of the Canadian National Railways.

Hon. Mr. ROBERTSON: My recollection of what occurred at the session held a year ago is that the committee did go exhaustively into the commitments of the railways at that time, and they substantially curtailed some of the expenditures, but not to the extent that conditions in the country have since made desirable in my judgment, which is based on present knowledge, particularly as regards the commitments that had been made the year before in connection with the purchase of a considerable mileage of railway line which has ever since been, and for a long time will continue to be, unprofitable.

Hon. Mr. BELCOURT: The fact that in another place this matter was enquired into, and full information given, relieves this House to a great extent of the necessity of inquiring into these different amounts and how they are made up.

Hon. Mr. ROBERTSON: I can state to my honourable friend that I am sure it was.

Hon. Mr. BEIQUE: Honourable gentlemen, the report to which reference has been made, and which was dealt with by this House in 1925, will be found in the Debates for that year on page 695; and honourable members who read the report made at that time will find it in several respects absolutely applicable to present conditions. If the question were gone into to-day, the same report would be made, in almost identical terms.

Hon. Mr. BELCOURT: And the recommendations?

Hon. Mr. BEIQUE: And the recommendations also.

Hon. R. DANDURAND: Honourable gentlemen, I desire to say a few words on this report of 1925. The Senate was unanimous in adopting the report of the special committee appointed to investigate the railway situation in Canada. The report was based on the general statement made to the committee by railway people, mainly Canadians, and by bankers as well. I refer especially to the experts who were then administering the two railways and to men who had administered them before. Those men were probably in the best position to give advice. The general opinion was that there was not enough freight in the country, especially in the West, to justify the maintenance of the two establishments as they existed. Figures were given, and comparisons were made with railways running in the American West, as to density of population, volume of freight in relation to the sparseness of our population, etc. From the facts brought before us it seemed to me a hopeless situation. The result of the inquiry and report was that this Chamber adopted the idea of having the two systems brought under one management, though retaining their separate entities. The plan was to allow the Canadian Pacific to guarantee the dividend it was earning; to revalue the Canadian National on the basis of mileage as compared with the C.P.R.; and to have one and the same management, provided partly by the C.P.R., privately owned, and partly by the Canadian Government, and thus to remove costly competition between two rival systems covering the same field. Competition had been giving to some centres four times the accommodation actually needed. I believe the Senate's proposal was a very constructive one.

After having accepted the facts and opinions submitted by those experts, what did we find within the next twenty-four months? We found that their statements had been contradicted by the reality; that in those twenty-four months, although competition was maintained and capital expenditure increased, the Canadian National was making wonderful progress. As has been stated by my right honourable friend, the railway which in 1925 was a debit that would not have been taken over by any syndicate—Canadian, American or British—unless we agreed to throw into the bargain, as a bonus, $25,000,000 or $50,000,000 a year for five or ten years, had in twenty-four months become an asset which, if the annual net income of $40,000,000 was reckoned as five per cent, was worth $800,000,000; and it went on improving from year to year.

To-day we are facing a very difficult situation, and new conditions have arisen, which must be taken into consideration. The truck business and the motor car traffic are new developments, which have cut into the income of the railways. But I am not despondent. I hope that our Western Provinces will again yield good crops and that prosperity will return to our railways. However, if it be true that a commission is to be appointed to investigate our transportation system, I feel it my duty to draw the attention of the future commissioners to the unanimous report of the Senate of Canada in 1925 on this railway question, and to suggest that they should study it carefully.

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

THIRD READING

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

Hon. Mr. DANIEL: Is it proposed that the securities which are authorized by this Bill shall be guaranteed by the Government of Canada?

Hon. Mr. WILLOUGHBY: I should say so.

Hon. Mr. DANIEL: The Bill does not say so.

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. WILLOUGHBY: In any event that is the understanding.

Hon. Mr. ROBERTSON: The next Bill on the Order Paper refers to the guarantee; this Bill authorizes the expenditure.

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

CANADIAN NATIONAL RAILWAYS GUARANTEE BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 83, an Act respecting the Canadian National Railways and to authorize the guarantee by His Majesty of securities to be issued under the Canadian National Railways Financing Act, 1931.

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

THIRD READING

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

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

SAINT JOHN HARBOUR LOAN BILL

SECOND READING POSTPONED

Hon. Mr. WILLOUGHBY moved the second reading of Bill 134, an Act to provide for a further loan to the Saint John Harbour Commissioners.

Hon. W. E. FOSTER: Honourable members, in view of the fact that I organized the Saint John Harbour Commission, I should like to make a few remarks on the possibilities of the service that the Saint John harbour can render the shippers of Canada; but, as some question has arisen with regard to the present system of management by local commissions as compared with management by what might be termed a centralized body, and as the Order Paper has been fairly well cleared, I should like, with the consent of the leader of the House, to move the adjournment of the debate until to-morrow.

Hon. Mr. WILLOUGHBY: The honourable gentleman does not anticipate any further adjournment?

Hon. Mr. FOSTER: No. To-morrow.

Hon. Mr. WILLOUGHBY: I hope the honourable leader opposite (Hon. Mr. Dandurand) will consent to the third reading being taken to-morrow.

Hon. Mr. DANDURAND: Has the honourable gentleman any amendment to suggest?

Hon. Mr. FOSTER: No.

Hon. Mr. WILLOUGHBY: I am agreeable then.

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

THREE RIVERS HARBOUR LOAN BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 135, an Act to provide for a further loan to the Three Rivers Harbour Commissioners.

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

THIRD READING

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

Hon. Mr. DANDURAND: I have asked no questions as to the necessity of this loan. Could the honourable gentleman give us some information on that point?

Hon. Mr. WILLOUGHBY: I have no statement in regard to expenditure except the explanatory note in the Bill, which shows the amount of money already invested. The Bill provides for a further loan of $700,000. Undoubtedly my honourable friend knows the locus very much better than I do. It has been the experience of this House for a very long time that harbour commissions come back from time to time for fresh advances for further harbour developments. The Quebec Harbour Commission has done so on several occasions during the time that I have been in this House, the Montreal Harbour Commission has done likewise, and at the present time there is an application from Saint John. There has been very little reluctance on the part of the Dominion Government at any time to advance credit for the equipment of harbours.

Hon. Mr. DANDURAND: Is it anticipated that the sum mentioned in the Bill will complete the work?

Hon. Mr. WILLOUGHBY: I understand so. My honourable friend to my right (Hon. Mr. Robertson) suggests that these expenditures were all authorized before the present Government came into power, and therefore have been approved.

Right Hon. Mr. GRAHAM: I can understand the haste to approve of them again.

Hon. Mr. WILLOUGHBY: Maritime revenues, like those of the railways, have fallen away this year. Three Rivers is a busy little city with a reasonably prosperous future; and while I do not know much about the harbour, I might point out that the amount asked is comparatively small.

Hon. Mr. BELCOURT: Can my honourable friend tell us to what extent the Three Rivers harbour is meeting its obligations?

Hon. Mr. WILLOUGHBY: I am sorry to say that I have no statement as to whether it is paying its way or not. I hope it is doing better than a certain harbour a little farther down the river.

Hon. JACQUES BUREAU: Honourable members, if the honourable leader will allow me, I should like to say that to date the Harbour Commission of Three Rivers has, I believe, been meeting its obligations. In 1927 a sum was appropriated by the Public Works Department for the improvement of the docks occupied by the Dominion Coal Company under lease from the Three Rivers Harbour Commission. In 1929 a law was passed authorizing a $2,000,000 loan by the Government to that Commission. After the passing of this law it was agreed between the Dufresne Construction Company—who had the $200,000 contract from the Department of Public Works—and the present contractors, with the approval of the Department of Public Works, that the contract should be transferred to the present contractors, and the amount of $200,000 paid out of the loan of $2,000,000. Consequently the contract was transferred, and liability for the $200,000 was assumed by the Three Rivers Harbour Commission.

The docks at Three Rivers, where the Dominion Coal Company stores very large quantities of Nova Scotia coal in order to supply the requirements of the paper mills at Grand'Mere, Shawinigan Falls and Three Rivers, were badly in need of repairs. At the time of the letting of the contract the work that was proposed involved an expenditure of more than the $2,000,000 authorized by the Act, and there was a tacit understanding between the Harbour Commissioners and the Dominion Government that there would be an additional grant to cover the difference between the amount authorized and the amount necessary to complete the work. The Commissioners stipulated in the contract that unless the grant was made they would stop the work when the moneys available were exhausted, and the contractors waived any claim for damages against the Harbour Commission on that ground, should the Government fail to grant the money. Under the supervision of Mr. Swan, an expert in harbour works and, I believe, the man who laid out Vancouver harbour, the plan for Three Rivers was prepared. I am informed—I cannot state it positively—that some changes have lately been made in the plan.

Though there may have been a slight falling off in navigation this year by reason of the fact that some of the paper mills are operating only part time, and others not at all, there has been otherwise a steady increase at Three Rivers, and the improvements that are being made to the harbour there are necessary in order that proper accommodation may be provided.

So far as I know, the members of the former Board have complied with all the provisions of the law regarding the sinking fund, and every obligation has been met by them. As the work progresses the Harbour Commissioners issue debentures and deposit with the Finance Department an amount equal to the amount paid to the contractors. This sum of $700,000 is required to finish a work which is essential to the welfare of the St. Maurice Valley region, and, I think, of benefit to the country generally.

Hon. Mr. DANDURAND: Not having stopped at the port of Three Rivers for some years, I was delighted, when passing there this week, to see the modern works that have been installed. There has been a transformation in the harbour. I have no doubt that Three Rivers is developing rapidly, and in view of the industries tributary to it, I think this expenditure on the harbour will be money well spent.

Hon. Mr. BELCOURT: I should like to confirm what my leader has said. I know the locality very well. I spent many of my younger years in Three Rivers, and have frequently had occasion to go back. Every time I have done so, particularly during the past ten years, I have marvelled at the tremendous industrial development that has taken place. As $2,000,000 has already been spent there, I think the additional expenditure of $700,000 is well warranted.

Hon. Mr. ROBERTSON: I have no knowledge of any change in the plans, but I do know that the work under the $2,000,000 vote has been progressing very well. The work has become necessary largely owing to the rapid development of the whole St. Maurice Valley country. I know that last fall the vote of the Harbour Commissioners at Three Rivers was almost exhausted, and that if the works are to be completed Parliament must provide further funds. Although the expenditure exceeded the vote of 1929, no further vote could be passed until this session. In my opinion the expenditure of $700,000 is entirely defensible.

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

NORTH FRASER HARBOUR COMMISSIONERS BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 139, an Act to amend the North Fraser Harbour Commissioners Act, 1913.

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

THIRD READING

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

Right Hon. Mr. GRAHAM: I understand from certain British Columbia members that the purpose of this Bill is to rectify some error in defining the boundaries of the harbour.

Hon. Mr. WILLOUGHBY: The harbour limits are very specifically set out in the enacting section of the Bill—a rather unusual procedure.

Right Hon. Mr. GRAHAM: It looks as though they were taking in something that had not belonged to the harbour before. The Bill says:

> To include all the foreshore and water lots, wharves, piers, and docks, in or along the waters forming as aforesaid the said Harbour, the title to which is, at this date, vested in His Majesty.

Is His Majesty, through us, giving some of our property to this harbour?

Hon. Mr. WILLOUGHBY: That is quite possible. It is only a usufruct after all.

Hon. Mr. KING: For some time there has been a desire on the part of the North Fraser Harbour Commissioners to have the boundaries of the harbour rearranged. I think this Bill is a compliance with their request. Speaking for British Columbia, I know of no objection to what is being done.

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

WHEAT BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 140, an Act respecting wheat.

Hon. Mr. DANDURAND: Would the honourable gentleman explain?

Hon. A. B. GILLIS: Before the motion is carried, I should like to say a word or two in regard to this Bill. The purpose of the Bill is to give the farmers of the West five cents on every bushel of wheat sold for export. In the section of the country from which I come, extending south from Saskatoon to the boundary, and spreading east and west for some distance, this will not be applicable, because we have no wheat. I suggested to some members in another place that it would have been better to grant a small amount per acre to those who had cultivated the land and were unable to get any return. That proposal, which was looked upon with some favour at first, would of course have been better for the districts that are desolated.

I may say that in the district to which I have referred there have been light crops, because of dry weather and so on, but this is the first complete crop failure in forty-nine years. In the last two years at least the crop that was harvested gave the farmers comparatively small returns. Indeed, in most cases the receipts were not sufficient to pay the cost of production. Because of that fact a great many people in the West are hard pressed and will have considerable difficulty in maintaining themselves this winter. It is fortunate that the Government of the day is making provisions so that no one need starve. The average farmer finds it hard to accept anything in the way of charity, and I think it might be well for the Government to consider the advisability of making loans to those who have sufficient property to give the necessary security. Much good could be done in this way if the rate of interest were low. But many farmers have no property that would be suitable as security. While the payment of five cents a bushel will help those who have wheat, it of course will not be of any benefit to a great many people in the area to which I have referred, who will not have any crop this year. However, the Government has determined that no one shall be in want, and I feel satisfied that a scheme will be devised to give assistance to all who need it.

Hon. Mr. WILLOUGHBY: Honourable senators, loans such as were suggested by my honourable friend would be a great boon, because many farmers would undoubtedly receive from them more than they will from the payment of five cents a bushel on wheat. I know very intimately the district referred to by the honourable gentleman, but before dealing with the conditions there I will speak briefly on the question of loans. Last year the loan agents received a large number of applications. I happen to know two who had a fairly large business—

Hon. Mr. DANDURAND: Representatives of the Provincial Government?

Hon. Mr. WILLOUGHBY: No; I am speaking not of them, but of agents of the ordinary loan and insurance companies. They procured many applications and the necessary inspections were made. The loans were not granted at the time, no matter how adequate the security was, and so far as I can learn from recent letters the greater part of them have not been made yet. I have personal knowledge of many instances where the land, if worth only 50 per cent of the value it had before the slump, would have furnished adequate security for a loan, and yet the owners were unable to borrow, under the existing conditions, from the loan and insurance companies, even at 8 per cent, which is a special rate. Money can make its own terms, I suppose, just as water will find its own level, but 8 per cent is more than the farmers can pay to-day. It was in most cases more than could be paid before the last crop failure and the slump in the price of agricultural products. As all honourable members know, the Government of Saskatchewan conducts a Loan Board, which has lent a very large sum of money. If it granted all the applications on hand, the sum would be considerably larger, but I learnt on a visit home during the current session that it has virtually no funds to let out, and is making very few advances. The Dominion Farm Loan scheme does not apply there, because of the existence of the local board.

A large section of the country referred to by the honourable gentleman from Saskatchewan (Hon. Mr. Gillis) contains some of the very choicest land. Honourable members who are familiar with the Regina plains, or who have been on the Soo line from Moose Jaw to Portal, know that that territory is regarded as one of the finest agricultural districts in the world. There is not the same variety of landscape as is found in Ontario, for example, but as a prairie country it compares very favourably with anything to be found in the States or elsewhere. A great many farmers in that district not only have no wheat for sale, but will not have any for next year's seed. I recently received a personal letter from a gentleman who has visited a large number of farms, all of which I happen to know, and he tells me there is absolutely no wheat on them. Even if there were some it would not pay the farmers to harvest it. Of course, they are doing all they can to maintain themselves by other means. Those who have some live stock, particularly cows, are fortunate, if there happens to be an adequate water supply—which is not too common in the district I have in mind—for they will be able to keep the pot boiling by the sale of milk or cream. They will need for their own use the coarse crops, such as oats, barley and perhaps sweet clover and rye, all of which are in very limited quantities.

When I was home last I travelled from Moose Jaw to Regina, some forty-two miles, and about the same distance south, and I saw scarcely a blade of green grain. It looked like a veritable Desert of Sahara. The conditions are almost incredible, even to those of us who have lived many years in the West. While it is true that last year was a lean year and 1929 was only medium, the farmers were then in far better circumstances than they are now. A great sum of money will be necessary for relief; a fact that I dare say will continue to be impressed upon the honourable gentleman to my right (Hon. Mr. Robertson). It is a fortunate thing that many of the farmers have life insurance policies, against which they will be able to borrow.

Right Hon. Mr. GRAHAM: A great many of them are borrowing on their policies.

Hon. Mr. WILLOUGHBY: They are fortunate in having life insurance, which as a rule is not so commonly carried in the rural districts as in the cities. To all intents and purposes, the banks are not lending. I am not finding fault with them, for it is their business to act conservatively and look after the interests of their shareholders and depositors. Farmers are finding it very difficult to borrow even trifling sums to enable them to keep on living from hand to mouth. People of the better elements in the West are not quarrelling with the banks. Of course, we have out there some people who belong to the Red element, who are opposed to the ownership of property by any man, government or institution, and who hold dogmas that are very much in favour in another country. I am not speaking on behalf of those people, but of the staid farmers. They are solid citizens. They may grumble at conditions, but as a rule they are good pay.

Conditions in the West this year are more serious than the people of the East realize. From a short distance south of Saskatoon right down to the American boundary, and somewhat east of Regina up to Maple Creek, well on to the boundary of Alberta, there is virtually no crop nor anything out of which the farmers can hope to make a livelihood. Many of those who own stock will not have enough hay for the coming winter. I know a little about agriculture, for unfortunately I am interested in it to a fairly large extent. Last year I had to bring in oats for a couple of my farms, eight or ten carloads in each instance, because I had no hay.

The East has a big heart and I am sure it will respond liberally to the great need among thrifty and industrious classes in the West. I believe Parliament will be generously minded also. In the past we have never made a call that has not met with a hearty response. On behalf of those who will be administering relief in the West, I ask honourable members to try to realize the true situation and not to imagine that Western farmers want to sponge on the people of the East, simply because aid will be asked for on a larger scale than prior to the last couple of months we had conceived would be necessary. I doubt whether people of any other class have quite so much pride in money matters as farmers have; not because they are rich, but because they possess a certain spirit of independence. They are more reluctant than perhaps any other people to go into debt or to ask for Government assistance. I hope that honourable members who have an influential voice in the money markets and in big business of the East will give the most sympathetic consideration to appeals that will be made during the current session for assistance to the West.

Hon. R. FORKE: Honourable senators, I do not wish to repeat the arguments that have been so ably presented by the honourable leader of the Government, but there are a few observations I desire to make. Agricultural problems that seem to be almost unsolvable are arising to-day, not only in Canada but throughout the world. Not only in the West, but everywhere, agriculture is sick and farmers are finding it difficult to make ends meet.

The honourable senator from Saskatchewan (Hon. Mr. Gillis) struck the nail on the head when he stated that the grant of five cents a bushel, as proposed in this Bill, would help the man who had wheat, but not those who had none. Yet I am not inclined to find fault with the Bill.

Reference was made by the Hon. the Minister of Labour (Hon. Mr. Robertson) to the decline in the price of wheat. I do not like to speak of my own experience, but by doing so I can be more sure of my facts. I do not mind telling honourable members that I am just $5,000 poorer because I have been farming in the last three years. A great many other farmers have had a similar experience. I do not owe one cent on my farm, I pay no interest, and I have a good property. Without desiring to be egotistical, I would say that I have often been referred to as one of the most successful farmers in the West. Yet I have lost money. Now, what can be done in a situation of that kind? Some people say we should go into mixed farming. As I stated a little while ago in this House, I have 100 head of cattle, 200 sheep and 22 horses, and it is a serious problem for me to know what to do with them this winter. My farm is in the extreme western part of Manitoba, just bordering on Saskatchewan. I think I should be just as happy if I had no wheat crop at all this year, because then I should not have to go to the trouble of harvesting and threshing it. In the long run I shall not be in pocket because I have a little wheat. I am fortunate in having enough old wheat and oats left over from last year for my next year's seed, but I do not know any other farmer in my district who is in exactly the same position. I mention these facts to show the conditions that the farmers are experiencing at the present time.

I feel perfectly sure that farmers in Ontario do not realize the seriousness of the Western situation. While listening to a debate in another place I heard a member strongly objecting to this Bill on the ground that the legislation would be sectional. He contended that farmers in Ontario were faced with considerable difficulties at the present time. Like many honourable members, I have driven over a good part of Ontario this summer, and I never saw better crops anywhere. Some of the people may have difficulty in making ends meet, but there is no comparison between the conditions in this province and those in Western Canada.

The Hon. the Minister of Labour said that the present price of wheat was 60 cents. It would not be so bad if the farmer got that much, but the fact is that the average price received by the farmer is 37 cents a bushel. There has been a drought from the time we were getting about $1.40 clear down to the present time, when we get only 37 cents. Is there any other industry in the world that could stand such a blow as that and would not be in a desperate condition? Such is the condition that we are in at the present time in Western Canada.

I am not going to take up any more time. I think the Hon. the Minister of Labour is fully seized of the situation. I think the Government, as a whole, is also seized of the situation; and I want to pay my tribute to the Government of the Dominion at the present time for the way in which it has met this situation and is trying to relieve it as much as possible. I am sure it will have my hearty support in all the endeavours it is making.

I notice a clause in the Bill that I would like the Minister to explain. In section 2,

paragraph (b), in regard to the regulations that are to be made, I read:

(b) determining the person to whom the said sum of five cents per bushel shall be paid and the method of the payment thereof;

I should like to have that explained. Who is going to get the five cents? How is it going to be paid? What is the method to be adopted? When that Bill was introduced the sum of five cents was to be paid only on export wheat, and it seemed at that time probable that the only parties who would benefit would be the transportation companies and the dealers. Perhaps the regulations will be made in such a way that the money will go direct to the farmer who sells the wheat to be exported.

Hon. Mr. ROBERTSON: According to my information and belief, this Bill is not at all confined to export wheat. On every bushel of wheat that is grown this year and marketed within those three provinces the farmer will receive the benefit of the bonus—if it may be termed such—when he delivers his wheat; and the five cents will be paid in the form of certificates redeemable for the amount. I do not understand that the bonus is to be paid on wheat that the farmer may have in stock, grown last year.

Hon. Mr. FORKE: Oh, no.

Hon. Mr. ROBERTSON: So I believe that on this year's crop, whether it is exported or not, it is the intention to pay the bonus.

Hon. Mr. BELCOURT: But it must be delivered?

Hon. Mr. ROBERTSON: Yes.

Hon. J. J. DONNELLY: Honourable gentlemen, I should like it understood that any remarks I have to make are not in opposition to this Bill. It is only under very exceptional circumstances that such legislation could be justified. It is sectional legislation, inasmuch as it applies only to the three Prairie Provinces. I regret, as I think all the members of the Senate regret, that such exceptional conditions exist at present; and in my opinion they justify the Government in presenting this legislation.

My reason for speaking at all is this. There is apparently, both in Parliament and throughout the country, a feeling that in the growing of wheat, so far as Canada is concerned, the three Prairie Provinces have a monopoly, or that they are the only part of Canada that produces wheat in any large quantity. It has been my privilege to drive over a great portion of Western Ontario during the past month or so, and I have been struck with the very large acreage that is growing wheat at the present time. The crops are very good.

You might ask, "Why is it that our statistics do not show such a large production of wheat in Ontario?" One reason is that the average farmer in Western Ontario does not place his wheat on the market, particularly when it is at such prices as now prevail, because it is more profitable to feed it to live stock, especially hogs, while the prices of hog products are as high as they are at present. Though we hear very little about Ontario-grown wheat, I may assure the members of this House that the growing of wheat is a very large industry in Western Ontario, and, generally speaking, it has been very profitable.

While we are discussing the interests of farmers in the West, I think I may repeat what I have said in this House before—that with the present land values in Ontario there are much better opportunities for growing wheat on a commerical basis in this province than there are in any part of the West. Land values to-day in Ontario are only about fifty per cent what they were ten years ago, and there are plenty of opportunities for growing wheat, or any other crop for that matter, on a very large commercial scale.

Right Hon. Mr. GRAHAM: May I ask the honourable gentleman a question? I find in section 1 these words:

1. The Governor in Council may authorize the payment, out of the Consolidated Revenue Fund, of the sum of five cents for every bushel of wheat grown in the provinces of Alberta, Saskatchewan and Manitoba in the year 1931, and delivered to any licensed elevator in the Western Inspection Division, commission merchant, track buyer or grain dealer, as defined by the Canada Grain Act.

When this Bill was first brought down my attention was called to the weakness of this section, for according to my information there is no distinct definition of those different persons in the Canada Grain Act.

Hon. Mr. WILLOUGHBY: I think the term "track buyer" is defined, is it not?

Right Hon. Mr. GRAHAM: I am asking for information. It is a matter for lawyers, of course, but nothing should be taken for granted, because some litigation might arise. If we had a clear definition of those different individuals it might prevent trouble.

Hon. Mr. WILLOUGHBY: I cannot refer you to the Act, but my recollection is that a track buyer gets a licence from the Department. I think the term "grain dealer" is self-explanatory, is it not, and also the term "commission merchant"? I do not think those are technical words. The only word that strikes me as technical is "track buyer".

Right Hon. Mr. GRAHAM: I thought that I should bring this matter to the attention of the honourable leader, because if there is any fear of ambiguity it ought to be made clear that there are definitions covering these different entities or individuals.

Hon. Mr. WILLOUGHBY: If they were technically named I should think there ought to be such definitions.

Hon. Mr. BELCOURT: May I call my honourable friend's attention to something which is not perhaps very serious, but may need greater precision? Section 1 speaks of wheat grown in the provinces of Alberta, Saskatchewan and Manitoba in the year 1931, and delivered to elevator, commission merchant, track buyer or grain dealer, but it does not say when the delivery is to be made. I am wondering whether it would not be necessary to specify the period within which this would be delivered.

Hon. Mr. FORKE: The last clause of the Bill explains that.

Hon. Mr. BELCOURT: It must be delivered before that date, I suppose.

Hon. Mr. WILLOUGHBY: The last section states that the Act expires on the 31st day of July, 1932.

Hon. Mr. BELCOURT: I suppose that covers the point; otherwise you might have delivery in five or ten years, and that possibility would lead to considerable dispute. I had not noticed that provision.

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

THIRD READING

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

Hon. Mr. DANDURAND: If my honourable friend has any doubt as to the correctness of the description of the parties named in section 1 he might leave the third reading until to-morrow.

Hon. Mr. WILLOUGHBY: There is only one of them in question; that is the term "track buyer," and I know that is defined in the Grain Act.

Hon. Mr. FORKE: A track buyer is a man who gets a car in, and buys from individual buyers, and loads up the car with the grain he has thus bought.

Hon. Mr. WILLOUGHBY: It would be quite agreeable to me to postpone the third reading.

Hon. Mr. LAIRD: As to the point raised by the right honourable gentleman from Eganville (Right Hon. Mr. Graham), I think anyone who lives in Western Canada and is familiar with the methods of disposing of grain will consider that the provision in the Act is quite clear. There are only certain methods by which grain can be disposed of. The marketing of grain, so far as the buying is concerned, is confined to elevator companies, track buyers, commission men and dealers, and the Act specifies each of these agencies for the purchase of grain, and to my mind covers them absolutely. There is nobody purchasing grain, or concerned in the marketing of grain, who is not covered in the Act, and I imagine that if there were any ambiguity as to what constituted a track buyer or a commission man, the practice of the trade or the customs of the country would prevail. I am not a legal man, but I understand that where the law does not make specific provision, the custom or practice of the trade is taken as a general guide. So I think the legislation as it stands in the wording of this Bill is ample to carry out its intention.

The Hon. the SPEAKER: Is this Bill to stand until to-morrow?

Hon. Mr. WILLOUGHBY: If they want it to stand I am agreeable.

Hon. Mr. DANDURAND: I am not insisting on the postponement of the third reading.

Hon. Mr. WILLOUGHBY: Then we will take the third reading now.

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

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

THE SENATE

Thursday, July 30, 1931

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

Prayers and routine proceedings.

THE BEAUHARNOIS PROJECT

SPECIAL COMMITTEE

Before the Orders of the Day:

Hon. W. B. WILLOUGHBY: Honourable senator, I crave your indulgence for a few minutes in order that I may, in my capacity

as leader of the House, draw attention to the proceedings, commonly known as the Beauharnois Inquiry, that have been conducted in another place. All honourable members have followed those proceedings in the newspapers, and some also by attendance at the sittings of the committee of inquiry. The findings of the committee have shocked not only public opinion at large, but the opinion of senators on both sides of this House. We cannot afford to allow Parliament to prorogue until we, as a Senate, take some official notice of the committee's report. It has been laid on the Table in another place, and, I believe, is being formally introduced to-day. I have been waiting for a copy of the report to be sent over to us, but in the meantime we have access to it and are at liberty to make use of its contents. I suggest that the honourable leader on the other side (Hon. Mr. Dandurand) and I should each name three senators to constitute a committee to consider the best method of dealing with the report, that the committee should meet at the close of this afternoon's sitting, and that it should make recommendations as to what action the Senate ought to take. I anticipate that the honourable leader and my honourable friends on the other side will give us their hearty co-operation, having at heart the honour or the good reputation of the members of the Senate and desiring to see it vindicated. I trust the honourable leader opposite will see fit to concur in my suggestion. I may say frankly that so far as I have any power to bring it about, some committee or some body will deal with the report on the Beauharnois Inquiry before Parliament prorogues. If my honourable friend accedes to my proposition, I am ready to name at once three honourable gentlemen to co-operate with those he will name, and I would ask that they get to work with all speed, to-day if possible, so that the House may be able to deal with their findings to-morrow at the latest, or even at a sitting to-night; for Parliament is going to prorogue on Saturday. When the Senate is to meet is but a matter of detail. When the committee is ready to report we can decide when to meet.

Hon. RAOUL DANDURAND: Honourable members of the Senate, my honourable friend suggests the formation of a small, informal committee composed of members of both sides of the House to examine into the situation that will confront us if a message comes from the other House, as is suggested by the report to which the honourable gentleman has alluded. I realize how important it is that a statement as to the position of the Senate in this connection be made before the end of the session; but of course I have not failed to note that the session may end the day after to-morrow, and the possibility of early prorogation places certain limitations upon what we can accomplish. If my honourable friend were to tell me that Parliament would prorogue on the first of September, or at a time to be fixed by the Senate, the position would be different, but my honourable friend must realize how restricted we are when prorogation is expected to take place within forty-eight hours.

I am ready to proceed with an examination of the case, and will nominate my right honourable friend from Eganville (Right Hon. Mr. Graham) and one of the esteemed senior members of this Chamber, the honourable gentleman from De Salaberry (Hon. Mr. Béique). I will ask them to accompany me to discuss the question with my honourable friend opposite and his friends.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. WILLOUGHBY: I beg to name the honourable Senators Tanner, Griesbach and Beaubien.

Hon. Mr. BEIQUE: As it is my intention to leave the city very shortly, I would ask that another honourable member be named in my place.

Hon. Mr. DANDURAND: My honourable friend from De Salaberry suggests that, as he will be leaving the city shortly, he will be hampered if I ask him to accompany me to the conference. I may say that I had received a call from Montreal regarding the funeral of the late ex-Minister of Justice, Mr. Doherty, which will be held to-morrow morning, and that I intended leaving Ottawa after the adjournment of the Senate to-day and returning at four o'clock to-morrow. I feel quite sure, judging from the developments that are taking place in the other House, that the message to which my honourable friend opposite has referred will not reach us before Friday. In that event we should have the latter part of to-morrow afternoon and the whole evening to deliberate upon the situation referred to. I would suggest that my honourable friend from De Salaberry return with me to-morrow afternoon to the Senate and attend during the last hours of the session.

Hon. Mr. McMEANS: May I suggest that if the House were to adjourn till this evening the committee could go to work at once.

Hon. Mr. WILLOUGHBY: I intimated as much when I said I thought it might be possible to have the matter taken up to-day

by the committee and disposed of this evening. How best to approach the matter is simply a question of procedure. My anxiety, and that of my honourable friend opposite, I take it, is to clear the good name of the Senate.

Hon. Mr. DANDURAND: I think I have made clear my desire to co-operate with my honourable friend.

The Hon. the SPEAKER: It is moved by Hon. Mr. Willoughby, seconded by Hon. Mr. Robertson, that a special committee be appointed—

Hon. Mr. DANDURAND: If Your Honour will permit me, I would suggest that the mandate should not be a formal one.

Hon. Mr. WILLOUGHBY: No. I do not care how informal it is.

Hon. Mr. DANDURAND: It is not necessary for His Honour the Speaker to put the question. We can go into an informal conference.

Hon. Mr. WILLOUGHBY: I suppose the Clerk will require some official record.

Hon. Mr. DANDURAND: We shall report.

Hon. Mr. WILLOUGHBY: I think we had better proceed in the regular way.

Hon. Mr. DANDURAND: My honourable friend must not forget that the Senate cannot take any position officially, because there is nothing before it. We are expecting that there will be something before us, but just now there is not; so our procedure is somewhat informal, and I am ready to confer informally.

Hon. Mr. WILLOUGHBY: We will assume that the honourable gentleman is going to attend.

The Hon. the SPEAKER: Shall I put the motion?

Hon. Mr. WILLOUGHBY: No.

SAINT JOHN HARBOUR LOAN BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 134, an Act to provide for a further loan to the Saint John Harbour Commissioners.

Hon. W. E. FOSTER: Honourable members, even at the risk of incurring the displeasure of honourable members for taking up the time of the House at this late date, when they are eager to get away, I take this opportunity to place upon Hansard some of the advantages which the port of Saint John offers to the shippers of Canada. At the same time I desire to place upon record what in my opinion is ample justification for the appropriation of some $10,000,000 under this Bill.

Before dealing with the subject-matter of my remarks, I wish, on behalf of the people of the city of Saint John and the surrounding territory, which I have the honour to represent in this House, to express appreciation of the many kind messages and expressions of regret received from all parts of Canada following the disastrous fire that visited the city of Saint John and swept away a large portion of the harbour front, on the western side of the harbour, the construction of which entailed the expenditure of much money and the sacrifice of much time.

This Bill, honourable members, provides moneys for the reconstruction of at least a portion of the harbour front. I understand that it is the intention of the Commission to use $5,000,000 of the amount for the reconstruction of a portion of the burnt-over area, and to expend $5,000,000 towards the completion of a program laid out at the time of the formation of the first Harbour Commission, of which I had the honour of being the chairman. I trust that the shippers of Canada will take note of the decision of the harbour authorities to have the reconstructed area ready for business, and capable of accommodating that portion of Canada's trade which naturally would go through the port of Saint John, by the time the waters of the St. Lawrence are frozen over and its harbours lose their usefulness for some five months.

I congratulate the Government upon the introduction of this measure and the prompt manner in which it has dealt with what I regard as a matter of national importance. Its promptness emphasizes the fact that it has recognized that the port of Saint John is one of Canada's national ports, and as such should be equipped in such a manner as will insure the proper and efficient handling of a large part of the products of the manufacturers and agriculturists of this country.

Unfortunately Saint John has not always been recognized as one of Canada's national ports. During the Confederation overtures it was stated that not only would rail communication with the Maritime Provinces be established, but the ports of those provinces would be built up and proper facilities installed in order that the products of Canada would flow through Canadian ports instead of through Boston, Portland, Baltimore, and other American ports on the Atlantic. During the discussion of the Confederation pact very

prominent men made important pronouncements and specific promises in that regard. I do not wish to take up the time of the House in discussing early history, but those statements are a justification for this Bill, and for the program to nationalize the port of Saint John in the future. One very prominent statesman, in discussing the construction of the Intercolonial Railway, said that by reason of the fulfilment of these promises the Maritime ports would take their place among the great emporiums of the world, and all the resources of the West would flow to the bosoms of their harbours. When advocating Confederation Sir Georges Cartier made the following statement in the city of Montreal:

> During six months of the year we Canadians have to knock at the door of our neighbour in order to carry on our trade. This cannot be tolerated. This Confederation must be carried out. We Canadians are enriching the American States, whereas we ought to be enriching our own states; we ought to be enriching such harbours as Saint John and Halifax.

The desire of the people at that time, naturally, was to create outlets for Canadian trade through Canadian ports. The people were afraid that the bonding privilege in the shipment of goods into Canada through American ports might be discontinued, and therefore the desirability of using Canadian channels was impressed upon the advocates of Confederation.

Notwithstanding the promises and pledges made at that time, very little, if anything, was done for a great many years. I sometimes wonder what Sir Georges Cartier would have said had he visited the port of Saint John some thirty or thirty-five years afterwards and found that hardly a shack or a shingle, or anything worthy of the name of terminal facilities, had been provided. It seemed during that period as though the outlets must be the St. Lawrence ports in summer and the United States ports in winter. Some time along in the eighties the Canadian Pacific Railway, with Sir Thomas Shaughnessy at its head, came into being, and he and David McNicoll came to the city of Saint John and interviewed the authorities there, with the result that the people were inspired with the belief that Saint John was capable of handling a large portion of the exports of Canada. The fact is that up to 1893 or 1894 the Government of Canada had been subsidizing steamship lines which made Portland, Maine, their terminus, and which were fed by the Grand Trunk Railway. So, in co-operation with the Canadian Pacific Railway, the people went deep down into their pockets and furnished about $3,000,000 to be used in demonstrating to the rest of Canada the feasibility of making Saint John a national port. I mention that, honourable members, not because I desire to draw attention to the action of the people of Saint John on that occasion, but because of the fact that the Harbour Commission Act, which I shall mention in a few moments, provided for the assumption of the amount of $3,000,000 which had been spent by the people of Saint John.

I do not intend to enter into the early history of the port, interesting though it may be, but I should like to point out that the harbour of Saint John, unlike other harbours of Canada, was owned by the people of that city. There were granted to them in 1758 all the land around the harbour, the land under the water, and the fishery rights in the harbour. These were leased to persons who desired to make use of them, and from them the city secured considerable revenue. Such was the condition that obtained in 1927, when the Saint John Harbour Commission was appointed by Act of the Parliament of this country.

I had the honour of being selected as the first chairman of that Commission. Of course we met for the purpose of organization. We had no organization of any kind, not a penholder, or a desk, or a bottle of ink, and no funds in the bank. At our second meeting we had in attendance the Deputy Minister of the department and I put before him the question as to where we could get money to carry on our work, and he said, "You had better go out and borrow some." So the first act of the Commission was to borrow some money; and I imagine, not that the present loan is the last, but that the Commission will be here seeking further loans from time to time.

We were not very long in office before we found that the harbour of Saint John was extraordinarily and wonderfully made. By that remark I do not desire to cast any reflection on those who were responsible for bringing into being the facilities which were there when we took charge. The people of Saint John owned the harbour; certain harbour frontage was leased to certain individuals; there had been certain wharves and buildings erected by the people of Saint John; the Government had built some wharves; and the Canadian Pacific Railway had some wharves and buildings. Our second effort, therefore, was to bring into co-operation these different managements, which were charging different rates.

Following that, we laid out a comprehensive plan of port development, emphasizing three important policies: first, to see that the port

facilities were developed upon such a scale as to afford additional facilities beyond our present need, for the proper and thorough handling of a large and growing import and export business; second, to make all port facilities eventually available to all lines of railway upon an equitable and fair basis; third, to own, control and operate all harbour-front railways and pier accommodation. Those policies clearly laid down the principles at which we aimed.

In connection with the first, which was to provide additional facilities, we had before us the report of the so-called Duncan Commission; and I might explain that the fact that the harbour had not been developed up to 1895 or 1896 caused a great deal of disappointment and unrest, and that was one of the reasons which brought about that well known saying, "Maritime Rights," following which the Duncan Commission was appointed. I should like to place on Hansard, if I may, an extract from the report of Sir Andrew Rae Duncan, because it may be a guide in future when other money will probably be required in connection with the port of Saint John:

We are satisfied that neither at Halifax nor at Saint John—although developments at Saint John have been more extensive than at Halifax—is it possible, in present circumstances, to secure adequate port development. We recommend that, in respect of each of these two harbours, the Federal Government should establish a statutory Harbour Commission, whose business it would be to see that the port facilities are developed on such a scale as will gradually—but by no means slowly—create channels through which trade can expand both winter and summer. The development of a port is as much a matter of mechanical and technical equipment, business organization and practical administration, as is the development of any extensive manufacturing or industrial business.

We believe it is in the public interest of Canada, and in the interest of the future growth and expansion of its activities, that its Atlantic ports should be developed, just as it has been that its railways and canals should be developed—though development of these has naturally come first. We believe also from the evidence we have had that, under existing conditions of proprietorship at these ports, there will neither be inducement enough, nor impetus enough, to create really great ports, since for some time, at all events, it will be necessary to create facilities even ahead of expansion of trade. All that the Fathers of Confederation said about the importance to Canada of outlets and inlets on the Atlantic ocean open all the year round is as true to-day as it was then (and is indeed, from a commercial point of view, more immediately true now than then), and, in respect to ports—as well as in respect to the railways—the experience of the late war is fresh enough in mind to illustrate one phase of the national viewpoint and national necessity.

I may say, honourable gentlemen, that that was the guide which we had in framing the policy of laying out a comprehensive plan of development which would allow of future expansion.

At the present moment, I understand, there is in Canada a very eminent engineer, Sir Alexander Gibb, who is making an examination of Canadian ports, and it may be that such an eminent engineer will not agree with what we did in the early stages of the Harbour Commission. I do not want to say that he will disagree, but sometimes engineers, like lawyers, differ in opinion. After having our plans prepared we consulted the Shipping Federation of Canada, in Montreal, as to the location of the facilities. We consulted shipping men generally, captains and navigators in the harbour of Saint John, as to the placement of the wharves. We also consulted the railway officials, and we received approval of the plans from the Department of Marine and Fisheries. As I have said, I do not anticipate any criticism as to the placing of those structures, but I would put on record the fact that we did consult those people who, as we thought, had intimate knowledge of the requirements of the port, and the proper position for those facilities.

I wish also to say that we found, by statistics we had gathered, that a great deal of delay had taken place in former years with regard to ships entering the port of Saint John. Those statistics showed that in one year sixty steamers had been delayed in securing accommodation at our port, and this demonstrated the necessity of providing facilities on an increased scale. For that reason alone I am sure the people of this country generally will commend this application.

I notice by the provisions of this Bill that it is in the nature of a loan. As I have said, I understand it is intended to provide $5,000,000 for reclaiming the burnt-over area, and $5,000,000 for carrying on work which had been previously planned. I had hoped that the Government might see its way to provide at least a portion of this money, not by way of loan to the Harbour Commission, but by way of a separate vote or grant. I based that hope upon the fact that under the present Bill the Harbour Commission of Saint John is charged with interest upon a certain proportion of those facilities which have been destroyed, and to add a further interest charge on the amount necessary to restore those is placing rather a handicap upon the Harbour Commission. Frankly I must say, from experience, that I do not see how it will be possible for the Harbour Commission

at Saint John to provide for not only the interest charge upon the capital cost of those structures which have been swept away, but also the additional charge for the money required to replace them.

Hon. Mr. WILLOUGHBY: Were they fully insured?

Hon. Mr. FOSTER: I will say to my honourable friend the leader of the Government that that question arose shortly after the fire, and I think some criticism was levelled at the Harbour Commission because no insurance was carried upon those properties. That came rather as a little bit of criticism on the Harbour Commission that was originally appointed. Having been chairman of that Harbour Commission, I should like to say, in that regard, that we went very fully into the insurance question, and the reason no insurance was carried upon the properties in Saint John harbour was that the insurance rate exacted by the Underwriters' Association was so high as to be prohibitive. The rate upon the wharves on the harbour front of Saint John at that time would have been about three and a half per cent, and if we had insured the harbour front properties up to their value, or a reasonable proportion of the value, the drain on the revenue of the harbour would have been too great. At that time we had an investigation made as to the feasibility of introducing a sprinkler system on the harbour front, but, owing to the nature of the construction, that plan was not feasible. Those are the reasons why insurance was not carried on the harbour front properties.

Some disappointment has naturally been felt by those of us who believed that some policy other than that outlined in this Bill might possibly have been worked out. I have before me a declaration of policy made by the present Prime Minister during the last election. Having had some little experience in connection with harbour administration, I can quite appreciate his expressions on the hustings. Before reading this declaration of policy I wish to say that I fully agree with it.

> Halifax and Saint John should be national ports. They belong to the people of Canada. They should be great free open ports. A great free port is the only way in which we can have the products of this great country compete in the markets of the world. This port is a great national undertaking and unless treated as such we cannot succeed. My ambition is to see this port the cheapest in the world.

That was the declaration made by the Prime Minister in the city of Saint John as reported in the Telegraph-Journal of that city.

Then in the Ottawa Journal of July 1, last year, I find the following:

> The port of Saint John, the Conservative leader declared, should be a great free port, a national port. And towards the implementation of this object he gave his pledge. The Conservative leader referred to a report that he was opposed to the port of Saint John as at present operated. "Of course I am," he declared. "I am opposed to the collection of tolls in this port which prevents it from being built up."

The difficulty, however, is that the administration of the harbour is under the Harbour Commission Act, which lays down principles on which a Harbour Commission should carry on its work. One clause in the Harbour Commission Act states that the Commission is charged with the raising of revenue and that it must receive from the revenue obtained and the tolls imposed upon traffic sufficient income to meet those conditions which are embodied in the Harbour Commission Act. The Act says:

> 19. (1) The Corporation may levy such rates as are fixed by by-law, and may by by-law commute any rates authorized by this Act to be levied, on such terms and conditions and for such sums of money as the Corporation deems expedient—

—and so on. But it must be realized that in fixing those rates the Harbour Commission must take into consideration the expenses of the Commission. Naturally the Act lays down the expenses for which the Commission must provide. In this case we were charged with raising the necessary revenue to meet the payments that are plainly specified in the Act. Section 22 of the Act states these as follows:

> (a) The payment of all necessary expenses incurred in the collection of the said revenue, and in the management and operation of the harbour services, and in the maintenance and ordinary repair of its works and facilities,—the expenditure of all revenue to be subject to the supervision and control of the Minister;
>
> (b) The payment of interest on any debentures issued under the authority of this Act.

—and so on. Therefore, while the incentive to the Harbour Commission is to lower the rates so as to make them compare with those of Boston, Baltimore, and other Atlantic ports, the Commissioners are charged with the duty of maintaining their revenue to such an extent as to pay all expenses, to pay for maintenance, and if possible to pay a certain amount of interest on the money which was borrowed from time to time.

Honourable gentlemen will see that while, as a former chairman of a harbour commission, I would naturally approve of the prin-

ciple as laid down by the Prime Minister, yet it seems to me, in view of the specific provisions in the statutes setting up those harbour commissions, that before it will be practicable to adopt that principle of making our ports free, or making them cheaper, in order that they may better compete with American Atlantic ports, it will be necessary to do some recasting of the whole harbour commission administration. I presume that the finances of the country, at the present time at all events, will not allow of such a thing; but let us hope that the principle that has been laid down by the Prime Minister may be put into operation in future years, so that the ports of Saint John and Halifax may reap the advantage from decrease in the rates, and become more attractive thereby.

I should like to point out that I have had numerous inquiries in regard to the cost of providing facilities in the port of Saint John. I have been asked to explain why the cost of a wharf or pier in the harbour of Saint John is greater than at some other points. This, of course, is due to the rise and fall of the tide in the Bay of Fundy. The necessity of providing about 25 feet of additional height to allow for the rise of the tide increases the cubic content of such a construction. But the variation in the level of water in the Saint John harbour, as between the low and the high water, is no greater than that which prevails at some ports in other parts of the world; and when the plea is put forward that it is a detriment to shipping, we can only make comparisons with some other places.

I noticed that an honourable gentleman in the House stated the other day that the Montreal Harbour Commission had paid its interest every year. I am sure we all fully rejoice in that statement, but I would point out that the cost of providing a channel to the port of Montreal would naturally be based on the necessary provision for the shipping getting into the harbour. If the cost of construction in the harbour of Saint John is greater than it may be in Montreal, it is offset in various ways.

I have also heard the complaint that the rise and fall of tide that I speak of are detrimental to shipping, and I should like to place on record the fact that, though there is a considerable variation in the tide at Saint John, the disadvantages of such a variation are not confined to Saint John, for at Bristol there is a variation of 42 feet; at Avonmouth, 40 feet; at Newport—Bristol Channel, 38 feet; at Cardiff, 36½ feet; at Barrow Pier, 28 feet; at Liverpool, 27½ feet; and at Saint John, 26½ feet. I have already mentioned the fact that while the rise and fall of the tide are considerable, they are more than equalled in other places. It will be observed from the figures I have given that the rise and fall of the tides at Saint John are not greater than those prevailing at some of the world's largest ports. They are practically identical with the variation at Liverpool.

I notice that some criticism has been made in the press of the provision in the Harbour Commission Act for the repayment of a certain amount of money to the City of Saint John. I should like to read a statement from a newspaper published in one of the large centres of this country. I have been too long in public life to find fault with newspapers. One of the functions of an editor is to give expression to his views. He has the advantage of reaching very many more people than can be reached by ordinary mortals, and therefore he should be more careful in his statements. I had something to do with the drafting of the provisions of the Harbour Commission Act, but I do not want to deal with this newspaper comment except to say it is misleading and unfair. It says:

> The smoke had not cleared from the ruins of the fire-swept St. John, N.B., terminals before the spirit of the Maritimes asserted itself. A ringing call went out from the great winter port for the press of Canada to rally to the aid of the stricken port and persuade the Government to replace the structure destroyed by the conflagration. And accompanying that call was a heart-rending story of how St. John had fought, bled and died to attain its supremacy as the greatest political port in Canadian history.
>
> It appears that the city actually did some building on its own account and at its own expense. It is declared that it spent $3,000,000. At least that is the amount recovered from the Federal Government when the port was nationalized three years ago. And the industry and zeal displayed in recovering that sum was worthy of the best traditions of the Province down by the Sounding Sea.
>
> Now, not only the buildings and wharves sold to the Government are gone, but all the structures since built by the Government as well. And St. John sorrows for the loss of what may prove to have been years of misspent political pull.

As I have already pointed out, certain facilities were provided by the port of Saint John at a critical period of time. I sometimes wonder what the pork packers and the munition workers in some parts of Canada would have done during the war period if the City of Saint John had not gone down into its pockets and expended that $3,000,000. I want to make it clear that the interest on that sum has not been paid by Canada, for the Harbour Commission has up to the present provided the interest and sinking fund upon that amount out of the revenues of the

harbour. I have in my hand a report of the Harbour Commissioners which shows the charge for the interest upon that $3,000,000 has been paid to the City of Saint John.

I notice from the press that negotiations are going on at the present time with regard to the deepening of the St. Lawrence waterway. That is a big question, and I do not intend to do more at present than discuss it briefly, and only in so far as it relates to the port of Saint John. My understanding of the matter is that from the United States' point of view the main object of that great work, which probably will be undertaken within a reasonably short time, is to provide a cheap outlet for the Middle West down through Canadian territory by water during the summer or the period of navigation. In other words, they want and probably will establish a neutral zone through which they can ship their goods cheaply from the Middle West to the Atlantic ocean. If such a summer outlet is important to the United States, why is it not equally important that Canada should have an outlet in the winter, when the St. Lawrence is frozen over?

I wonder how many people in this part of the country who like a good John Collins know that if they import gin and it arrives at Saint John it cannot be shipped direct from there over the Canadian Pacific Railway without going through a narrow neck of land that was ceded to the United States by the Ashburton Treaty. How many honourable members are aware that if they were travelling from Saint John to Ottawa, for example, part of their train would be sealed up on reaching Vanceboro, Maine, and kept sealed until re-arrival at the Canadian boundary? Any person who eats on the dining car while that train is on American territory has to pay a duty on his meal to the United States Government. The baggage of a person who is travelling from Montreal to Saint John is likely to be inspected when the train crosses the border. During part of the war a soldier travelling to or from Saint John over this line had to hide his uniform under the seat while he passed through the American zone.

I have a suggestion to make. I presume that if the negotiations now under way for the development of the St. Lawrence river are completed, there will be a treaty or agreement between this country and the United States. If a neutral zone is established for an American summer route through the St. Lawrence, why should not a neutral zone for Canada be provided through the State of Maine to the port of Saint John in the winter time?

Hon. Mr. COPP: Hear, hear.

Hon. Mr. FOSTER: I urge that that suggestion be taken into consideration by the Government of our country when the agreement or treaty is under consideration.

Honourable members are aware that from time to time discussion arises on our system of managing harbours by local commissions. It has been stated that the policy of the present Government is to centralize the management by the appointment of one commission for all harbours, or to have the administration done by a federal department. As one who has had some experience I am forced to the conclusion that the present system, notwithstanding its weaknesses, is about the best that has yet been devised. One of its drawbacks is that politics is bound to creep in to some extent. But that is not always the fault of the commission. Perhaps I should not say so, but I think I was fairly successful in keeping the Saint John Commission free of politics. In any event, political influence usually is not the fault of the commission; it is due to local political organizations forcing their views upon the chairman and members of the commission and often succeeding in having their way. On the other hand, the present system has much to commend it. For one thing, a local commission considers it a matter of pride to build up the business of the harbour in competition with foreign ports. It is familiar with conditions, in a way that a centralized body could not be, and it will fix tolls that are calculated to attract business, it will carry on a good advertising campaign, and do everything possible to make the harbour attractive to shipping. Those of us who were privileged to view the port of Montreal, at the invitation of an honourable member of this House, must have been impressed by the great work that has been carried on there by the successive harbour commissions. It was obvious that a great amount of knowledge, study and time had been expended to bring that vast undertaking to its present state of efficiency.

I should like to make one or two observations by way of showing that the Harbour Commission of Saint John, as a local body, has justified itself. One of the duties of harbour commissioners is to study all the movements of traffic in the country, bearing in mind that the success of the port depends upon the business that is moved through it. When making such a study I found nothing more helpful than the report made in 1922 by a committee of this honourable body, which investigated the question of the diversion of Canadian traffic through Canadian Atlantic ports. That committee made three recom-

mendations which, I am sure, would commend themselves to any harbour commission in Canada. In dealing with the third recommendation of that report the Commission at Saint John found what it considered to be a very unfair discrimination in regard to insurance rates, and took steps to arrange with marine underwriters and others that the rates charged for vessels using Canadian ocean ports should be as low as the rates for vessels using United States ports. With that end in view the Harbour Commission of the city of Saint John has been working for some time and has produced very good results. I think in a matter of that kind a local commission can perhaps accomplish more than a centralized body could. I had always wondered why there was such a great discrimination in insurance rates against the port of Saint John as compared with Portland. An investigation was begun during my term of office, and was continued by my successors. Following a suggestion of the Department of Marine and Fisheries, a representative of the Saint John Harbour Commissioners, Mr. Alexander Gray, C.E., general manager, went to England and interviewed authorities there, with good results. The Imperial Shipping Committee was very favourably impressed with the representations that were made, to the effect that aids to navigation in the Bay of Fundy had been very greatly improved and that there had been no wrecks over a period of years. That Committee submitted a representation to the Institute of London Underwriters, the Liverpool Underwriters Association and Lloyd's Underwriters Association that the additional insurance premium on hulls to the port of Saint John should be eliminated, and as a result the Joint Hull Committee added the following note to the North American Agreement:

> No additional premium to be charged for vessels calling at Saint John, New Brunswick, if properly fitted with and equipped for the use of wireless direction-finding apparatus.

Honourable members will appreciate the importance of this achievement, which resulted from the activities of the local Harbour Commission.

One important discrimination still remains against the ports of Saint John and Halifax, namely, that they are not included in the North Atlantic Chartering Range. The term "North Atlantic Range" is used in chartering tramp vessels for carrying grain, the principal advantage being that the charterer has the option of specifying any port within the range at which he wishes to load. After his appearance before the Imperial Shipping Committee, Mr. Alexander Gray came to the conclusion that the representations made for inclusion of the port of Saint John in the chartering range will be given favourable consideration when the necessary facilities now in course of construction are completed, provided it can be shown that the working expenses at Saint John are no greater than those in American Atlantic ports. We hope that funds proposed by this Bill will enable the Commission to complete the facilities to which I have referred.

I can assure honourable members that when the improvements that are in mind are completed the port of Saint John will be on a par with any Atlantic port in the United States and there will be no excuse for Canadian shippers to patronize American ports. In recent months we have heard a good deal about a "Canada First" policy. While we may disagree as to the means by which such a policy should be carried out, I am sure we are all united in supporting the principle. In connection with that policy a creed has been published for our people to follow, and it urges us to support Canadian manufacturers and producers, but I regret to say that it does not urge the manufacturers and producers to patronize Canadian ports on the Atlantic seaboard in preference to American ports. The port of Saint John is to be rebuilt, its facilities being largely increased. I hope the shippers of Canada will in the future have their shipments in and out of the country billed through the seaports of the Maritime Provinces, and especially in the winter-time. If they would do so our railways would receive much larger revenues, which they greatly need. I know that charges at the port of Saint John will be found reasonable. The longshoremen at Saint John are very efficient, and their scale of wages is very reasonable. The rail rates on grain and on all other Canadian products shipped to Saint John are on an equal basis with those for shipment to Portland, Boston, New York, Baltimore and other ports on the American Atlantic seaboard. I have already pointed out that the insurance rates on both hulls and cargoes have recently been adjusted on the same basis. The British preference applies to shipments via Canadian ports only. All things considered, the people of Canada have every reason for supporting our own Atlantic ports, and I commend this Bill to honourable members for their favourable consideration.

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

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Willoughby, the Senate went into Committe on the Bill.

Hon. Mr. Daniel in the Chair.

On section 1—short title:

Hon. Mr. WILLOUGHBY: Yesterday I was unable to answer a question asked about another harbour. I have the officer of the department here now, and if there is any question in reference to the expenditure on the Saint John harbour I can get the information.

Hon. Mr. BELCOURT: May I ask the same question that I put yesterday in regard to the harbour at Three Rivers, and inquire to what extent the Saint John harbour has met its obligations?

Hon. Mr. WILLOUGHBY: As is the case at Three Rivers, the interest on the construction work is charged to capital account. The interest on the original acquisition of the harbour is charged in the ordinary way to revenue account.

Section 1 was agreed to.

On section 2—loan of $10,000,000 to Harbour Commissioners:

Hon. Mr. BELCOURT: I take it that the provisions of this Bill are the same as those of the three or four other harbour Bills that have recently been before us.

Hon. Mr. WILLOUGHBY: Practically the same. It is the standard form.

Section 2 was agreed to.

Sections 3 to 7, inclusive, the preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

DAIRY INDUSTRY BILL

SECOND READING

Hon. Mr. POPE moved the second reading of Bill 16, an Act to amend the Dairy Industry Act (Increase of Penalties).

Hon. Mr. BELCOURT: Explain.

Hon. Mr. POPE: It is only to increase the fines for violations of the Dairy Act. There is an increase from $500 to $1,000, and from $200 to $500.

Hon. Mr. BELCOURT: What is the reason?

Hon. Mr. POPE: Because inferior butter is being sold everywhere. When the New Zealand butter came in here it did not carry 3 per cent of water, but when it was sold to us it carried 16 per cent.

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

THIRD READING

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

Hon. Mr. DANDURAND: It is obvious to every member of the Senate that I am not qualified to speak on a matter like the one submitted by the honourable member from Bedford (Hon. Mr. Pope). I must rely, therefore, upon the knowledge and experience of members of the Senate who are more familiar with the subject than I am. I take it for granted that all the members of the Senate who have the experience to enable them to judge are agreeable to this proposal.

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

SPECIAL WAR REVENUE BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 106, an Act to amend the Special War Revenue Act.

Hon. Mr. McMEANS: What is it all about?

Hon. Mr. WILLOUGHBY: More taxes. That is all.

Right Hon. Mr. GRAHAM: Could we have a brief explanation?

Hon. Mr. ROBERTSON: Special Revenue Acts have not been altogether unknown in years gone by. This Bill amends the existing law in some respect. Without entering into the reasons, I may say that the Bill provides, as is well known, for a three-cent rate on certain letters. It also provides for a stamp tax on cheques for amounts in excess of $5, and for a tax on certain insurance premiums, particularly those remitted to companies outside of Canada. Because of falling revenues the general sales tax, with which everyone is familiar, is increased from 1 per cent to 4 per cent. That tax has fluctuated from year to year, sometimes upward and sometimes downward, according to the need. It has been as high as 6 per cent. It is now fixed at 4 per cent.

As all the items of the Bill have been very thoroughly discussed in another place, and have been agreed to, I think unanimously, a discussion in detail at this late period of the session does not seem to be necessary, particularly as this House does not attempt to amend revenue bills.

Right Hon. Mr. GRAHAM: I should like to ask the Minister why the Government thinks it necessary to continue a war-time measure. Why should we, at this long distance from the war, blame the war for existing conditions and refer to the war in this Revenue Act? Is it not about time we dropped the war as an excuse for taxation? I admit that taxation is necessary; but why not call this a Revenue Act and drop the war-time label? This is not a war-time tax at all.

Hon. Mr. ROBERTSON: With all due respect to my right honourable friend, I can scarcely agree with him. This tax is necessary because heavy annual expenditures arising out of the war are a burden that must still be carried by the country, and because revenues have been falling during the past year or so. I have not heard any suggestion in Government circles that the title of the tax should be changed while the burden of taxation resulting from the war still remains with us. If my right honourable friend desires to suggest another title for the Bill, I shall be glad to give it consideration. The need for a change has never occurred to the Government.

Right Hon. Mr. GRAHAM: Perhaps it would not have occurred to me if I were in the Government.

Hon. Mr. DANDURAND: During the past eight years I have had occasion to present various amendments to the War Revenue Act, and I have always done so in the hope that conditions would improve so that we could get down to a peace level and forget the consequences of the war.

Hon. Mr. ROBERTSON: Were my honourable friend's suggestions made in the House or outside?

Hon. Mr. DANDURAND: I say that in the past I have brought in many amendments to the Special War Revenue Act.

Hon. Mr. WILLOUGHBY: The honourable gentleman never thought of reducing taxes.

Hon. Mr. DANDURAND: Matters have not improved, unfortunately; but it is the world-wide depression that is responsible for this increase in taxation. No particular feature of the Bill has caught my attention Taxes, of course, are not agreeable, but the people must bear them in order that income and expenditure may be balanced, and it is the first duty of a Minister of Finance to see that his budget does balance. If nobody on this side of the House desires to discuss any particular clause of this Bill, I am agreeable that after it has been given the second reading it should receive the third reading without being considered in committee.

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

THIRD READING

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

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

CUSTOMS TARIFF BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 111, an Act to amend the Customs Tariff.

Right Hon. Mr. GRAHAM: Explain.

Hon. Mr. ROBERTSON: My right honourable friend is strong on asking for explanations. I will do the best I can.

Right Hon. Mr. GRAHAM: I do not desire to be unduly strong in that respect, but a measure revolutionizing taxation, or partially revolutionizing it, ought to be explained to the House.

Hon. Mr. ROBERTSON: Measures containing amendments in taxation relating to customs are with Parliament every year. One or two of the proposals in this Bill are slightly different from those of the past. One feature that I have in mind at the moment is that certain duties formerly performed by a special board under the Customs Act now fall to the lot of the Tariff Board that we discussed here a few days ago. The Tariff Board is also to have jurisdiction over certain matters that previously came under the Combines Act. So far as changes in taxation are concerned, they are perhaps more numerous than extensive, and unless honourable members desire to discuss matters which have already been discussed for weeks in another place, and which, I frankly confess, I am not capable of discussing very intelligently in detail, there is not much more to be said. However, I am at the disposal of my honourable friends opposite if they desire to go into the details. If the right honourable gentleman from Eganville (Right Hon. Mr.

Graham) has further thoughts in connection with the matter, I shall be glad to answer him, if possible, a little later on.

Hon. Mr. BELCOURT: Would my honourable friend indicate the sections that deal with the two matters he referred to?

Hon. Mr. ROBERTSON: If we are to discuss those, we should perhaps move the House into Committee. I shall have to look them up, but I know the information that I gave my right honourable friend to be correct.

Hon. Mr. DANDURAND: Honourable members, this Bill touches the fiscal policy of the Government, which has obtained a general mandate to increase the tariff. Its policy is high protection. As we know, there is a difference of opinion as to its benefits and effects. It is always dangerous to predict, but it may become necessary to reverse that policy if the countries with which we are desirous of dealing take a stand similar to ours. We may have a smaller volume of exports, which, in turn, may result in reduced production, and thus the whole country may be seriously affected. We may obtain a greater hold on our domestic market, but the great question is, What will be the gain, or what will be the loss? Experience only will reveal the effect of this policy of high protection. From one angle it has certain advantages; from another it has disadvantages.

It is useless to re-open the question of freer trade versus protection. I emphasize the expression "freer trade" because we have had very few out-and-out free traders in this country. Canada has always maintained a tariff, whether for revenue or for protection. I hope that the country will not suffer from the experience on which we are entering. It will be some few years before any development becomes noticeable.

Right Hon. Mr. GRAHAM: I suppose that, as a matter of fact, this tariff except for recent changes, has been in force for some months. A tariff goes into force when the Finance Minister rises to present it. There is no desire on the part of any of us to change the tariff.

Hon. Mr. McMEANS: The particular objection to this tariff is that it is not high enough.

Right Hon. Mr. GRAHAM: Well, the honourable gentleman might move an amendment. I have no objection personally to the policy of the Government. The people say they want this policy, and they are entitled to have it. In matters of detail there might be questions as to how it is to be worked out. I would say to the Government, be careful not to take away the rights of Parliament on the tariff by leaving changes, up or down, to be made by Order in Council.

Hon. Mr. ROBERTSON: There is just one point that might be mentioned for the benefit of my honourable friend from Saint John (Hon. W. E. Foster), who spoke about the desirability of encouraging the entry of goods through Canadian ports. Honourable members will find that point emphasized in section 3, referring to goods transhipped en route, which goods, if shipped on a through bill of lading, may by special concession enter ports of Canada.

Hon. JOHN LEWIS: Honourable senators, I do not want to discuss the tariff in detail, but I should like to speak generally about the changes. They represent what might fairly be called a revolution in the practice in regard to the tariff—a departure from what has been the policy not only of the Liberals, but of both parties, for thirty-five years. During all that time we were under what might be called a tariff of moderate protection. Between 1911 and 1921, when the Conservative Government was in power, there was no great increase of the tariff for protection purposes, the tariff being fixed rather with the object of raising revenue for the war. The question then arises whether that policy was such a failure as to demand the changes—which I regard as revolutionary—that have been made in the last few months. My reading leads me to believe that exactly the reverse is true.

Between 1901 and 1930, I think, the products of our manufacturing industries grew in value from half a billion dollars to more than four billions; in other words, they increased more than eight times. During the same period our foreign trade, and our exports also, increased more than six times; and other figures showing the progress of the country tell the same story.

Now we have embarked on an entirely new policy, which to my mind is something of an experiment. I am not going to predict the result, but I should be very much surprised indeed if, supposing we continue that policy for thirty years, anything like the same gratifying results can be shown as have been shown under the policies of both parties for the last thirty years.

Hon. N. A. BELCOURT: Honourable gentlemen, I am not going to discuss this Bill, either in general or in detail. I rise merely

for the purpose of contrasting the policy embodied in it with some policies of the present Government which to my mind are worthy of a great deal more commendation than this. As has been said, this Bill is intended to carry out the policy announced during the last election. A few days ago, when my honourable friend introduced the Bill providing for a treaty with Australia, I indulged for a moment the hope and the belief that it indicated a change of mind on the part of the present Government in regard to the tariff. In my opinion that treaty with Australia points the way to the best solution of Canada's economic difficulties. I hoped that the policy exemplified by that treaty would be chosen in preference to the policy enunciated in the present Bill. Increasing the tariff to the extent that it is done in this measure is not to my mind a happy way of dealing with the difficulties of the present situation. I think that the more closely world conditions are examined, and the more intensely the result of high tariff in other countries is studied, the more apparent it becomes that the building up of high tariff barriers will not solve the present economic situation of the world or the problems of Canada.

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

THIRD READING

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

Hon. Mr. BUREAU: Before the Bill is read the third time I should like to ask a question of the Minister. Did I understand him to state that goods now shipped to Canada on a through bill of lading, in a British bottom, got the benefit of the preferential tariff? Does he claim that that is new legislation?

Hon. Mr. ROBERTSON: Yes, I think the clause refers to the possibility of goods shipped on a through bill of lading, and transhipped from one port to another, coming through to a Canadian port.

Hon. Mr. BUREAU: That has always been the law.

Hon. Mr. ROBERTSON: Oh, no.

Hon. Mr. BUREAU: Let me read the law as it is given in the note to the Bill:

Section 5. "(2) Goods entitled to the benefits of the British Preferential Tariff shall be entitled to the discount authorized by this section, when such goods are shipped on a through bill of lading consigned to a consignee in a specified port in Canada, when such goods are transferred at a port of a British colony or possession not enjoying the benefits of the British Preferential Tariff, and conveyed without further transhipment into a sea or river port of Canada."

Now the words "of a British colony or possession not enjoying the benefits of the British Preferential Tariff" are changed to the words, "in a British possession and conveyed without further transhipment into a sea, lake or river port of Canada." That is all the difference. It has always been the law, except for a slight change of the wording.

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

OLD AGE PENSIONS BILL

SECOND READING

Hon. Mr. ROBERTSON moved the second reading of Bill 136, an Act to amend the Old Age Pensions Act.

He said: Does my right honourable friend want any details?

Right Hon. Mr. GRAHAM: My wants in regard to details are never supplied.

Hon. Mr. ROBERTSON: This Bill makes only one change in the law that has been in effect for several years, since 1926 or 1927. Up to the present time the Federal Government, in co-operation with the Provincial Legislature, has undertaken to pay fifty per cent of the cost of old age pensions. By this measure it is proposed that the Federal Government shall bear seventy-five per cent of the total cost.

The reasons for that change are simple and need no lengthy explanation. Honourable members of the Senate, as well as members of the other House, are familiar with the provision of the Old Age Pensions Act, under which the authorities of a province, by accepting the terms of the Act, make it effective in that province and undertake to pay one-half of the cost. Two of the provinces, I think, apportion their cost jointly with the municipalities. Some of the older provinces, usually referred to as the Maritime Provinces, where persons over seventy years of age represented a much larger proportion of the total population than in the newer Western Provinces, found they were quite unable to bear the fifty-per-cent load that would be placed upon them by the operation of the Old Age Pensions law. Each of those provinces passed legislation which was, I believe, to become effective by proclamation, but they felt that they could not proclaim it until the Federal Act was somewhat changed to lighten the burden that would be placed upon them, and to make it correspond more closely with the burden resting on the newer provinces, with their smaller percentage of people seventy years of age or older.

I might mention that old age pensions became payable in British Columbia on September 1, 1927; in Alberta on August 1, 1929; in Manitoba on September 1, 1928; in Ontario on November 1, 1929; in Saskatchewan on May 1, 1928, and in the North West Territories on January 25, 1929.

The provinces east of Ontario have not yet expressed a desire to operate under the provisions of this Act. Concurrent legislation was passed by New Brunswick in 1930, and by Nova Scotia and Prince Edward Island in 1931, and this legislation will come into force by proclamation. During the past year Old Age Pensions Acts have been amended for the purpose of securing to the provinces the benefit of the Dominion Act decreasing the percentage of the contribution of the province.

The Old Age Pensions Act passed by Nova Scotia in 1931 provided for the general sheme. The Prince Edward Island legislation mentioned has not been received by the Department of Labour as yet, but it is presumed that it will follow the lines of the Nova Scotia Act.

Substantial sums have been paid by the Federal Government. It may be interesting to refer to these. Up to March 31 last there were in Canada some 57,930 persons pensionable under the Old Age Pensions Act. It is perhaps unnecessary to give the details here, but they may be found in the Labour Gazette for May, 1931. The total amount of pensions paid since the inception of the Old Age Pensions Act to March 31 of this year was $19,102,834.47.

Hon. Mr. DANDURAND: That is the total amount?

Hon. Mr. ROBERTSON: The total amount. The Dominion Government's proportion of that total was $9,552,477.44. The figures for the various provinces are also given in the same issue of the Labour Gazette. As the principal object of this Bill is to increase the Federal Government's contribution from 50 per cent to 75 per cent of the sums paid out by the various provinces, honourable members may not consider it necessary to go into Committee on the Bill.

Hon. Mr. BUREAU: Has the honourable Minister a memorandum containing the provincial figures to which he has referred?

Hon. Mr. ROBERTSON: The document I have in my hand has been reprinted from the Labour Gazette for May of this year.

Hon. Mr. BUREAU: Would there be any objection to having the figures placed upon Hansard as part of the honourable gentleman's speech? I think they would be interesting.

Hon. Mr. ROBERTSON: There is no objection on my part to putting upon Hansard all the figures contained in this document. I have read only a few of them, because I did not consider the others were relevant to the subject under discussion.

Hon. Mr. DANDURAND: Would the honourable gentleman tell us what has been paid by Ontario during the last twelve months? I suppose the payments do not extend much farther back than that.

Hon. Mr. ROBERTSON: Perhaps the honourable gentleman would be interested to know that the average pension paid to eligible persons over seventy years of age in Ontario was $19.15,—somewhat below $20, it will be observed.

Right Hon. Mr. GRAHAM: That is per month?

Hon. Mr. ROBERTSON: Yes. The total amount of pensions paid in Ontario during the last quarter of the fiscal year 1930-31 was $1,578,840.82, and the Federal Government's share was $789,420.40.

Hon. Mr. DANDURAND: That would be on the basis of about $3,000,000 a year as the Federal Government's share for the Province of Ontario?

Hon. Mr. ROBERTSON: The total amount paid in old age pensions in the Province of Ontario from the time the Act went into force until March 31 this year was $9,324,110.57, of which the Federal Government's share was $4,662,055.27.

Hon. Mr. DANDURAND: What period does that cover?

Hon. Mr. ROBERTSON: The whole period since Ontario came under the Act.

Hon. Mr. DANDURAND: I should like to know the date.

Hon. Mr. ROBERTSON: The Act became effective in Ontario on November 1, 1929.

Hon. Mr. DANDURAND: The share of the Dominion Government for pensions in Ontario would be about $3,000,000 a year?

Hon. Mr. ROBERTSON: Well, it is a little over four and a half millions since November 1929.

Hon. Mr. DANDURAND: What was the amount that the Government paid for the quarter-year?

Hon. Mr. ROBERTSON: $789,420.40.

Hon. Mr. DANDURAND: At that rate, it would be a little more than $3,000,000 a year?

Hon. Mr. ROBERTSON: Yes, roughly.

Right Hon. Mr. GRAHAM: Put all the figures on Hansard.

Hon. Mr. ROBERTSON submitted the following statistics:

STATISTICAL SUMMARY OF OLD AGE PENSIONS IN CANADA AS AT MARCH 31, 1931

—	Alberta		British Columbia		Manitoba		Ontario		Saskatchewan		Northwest Territories		Totals	
Total number of pensioners	3,287		5,557		5,834		37,334		5,913		5		57,930	
Percentage of pensioners to total population	0·50%		0·93%		0·87%		1·13%		0·67%		0·05%		.....	
Percentage of persons over 70 years of age to total population	1·17%		1·84%		1·68%		3·48%		1·17%		1·17%		.....	
Percentage of pensioners to population over 70 years of age	42·58%		50·53%		51·49%		32·32%		57·56%		4·46%		.....	
	Males	Females	Males	Females	Males	Females	Males	Females	Males	Females	Males	Females	Males	Females
Conjugal Condition—														
Married	950	425	1,300	652	1,813	1,021	8,723	4,739	1,948	997	3	.....	14,737	7,834
Single	249	53	819	175	289	126	2,487	2,659	273	60	.....	.....	4,117	3,073
Widowed	648	881	896	1,427	891	1,657	5,948	12,556	1,028	1,554	1	1	9,412	18,076
Living apart	62	19	208	80	27	10	124	98	36	17	.....	.....	457	224
	1,909	1,378	3,223	2,334	3,020	2,814	17,282	20,052	3,285	2,628	4	1	28,723	29,207
Classification of British Subjects—														
Birth	2,359		4,981		4,008		35,872		3,650		4		50,874	
Naturalization	877		490		1,772		1,003		2,217		1		6,360	
Marriage	51		86		54		459		46		.....		696	
	3,287		5,557		5,834		37,334		5,913		5		57,930	
Number of pensioners with previous residence in other provinces during the 20 years immediately preceding the date of commencement of pension—														
Alberta	.....		480		54		89		105		2		730	
British Columbia	112		.....		78		57		59		.....		306	
Manitoba	97		312		.....		131		400		.....		940	
New Brunswick	29		55		9		26		23		.....		142	
Nova Scotia	34		87		22		40		27		.....		210	
Ontario	297		367		231		.....		506		.....		1,401	
Prince Edward Island	10		14		2		.....		12		.....		38	
Quebec	71		67		41		369		71		.....		619	
Saskatchewan	166		367		257		134		.....		.....		924	
Northwest Territories	.....		1		12		.....		.....		.....		13	
Yukon	3		33		.....		1		.....		.....		37	
	819		1,783		706		847		1,203		2		5,360	

COUNTRIES OF ORIGIN, MARCH 31, 1931

—	Alberta	British Columbia	Manitoba	Ontario	Saskatchewan	Northwest Territories	Total
Canada	1,532	2,497	2,598	27,412	2,505	4	36,548
England	525	1,545	838	5,171	685	....	8,764
Scotland	194	596	351	1,350	313	....	2,804
Ireland	86	248	169	1,545	104	....	2,152
United States	326	242	100	680	307	....	1,655
Austria	102	15	374	46	595	....	1,132
Poland	104	10	464	81	299	....	958
Germany	78	59	46	383	132	1	699
Russia	55	2	170	133	276	....	636
Iceland	8	10	391	.....	54	....	463
Sweden	75	82	87	54	133	....	431
Norway	89	55	35	24	160	....	363
France	17	17	59	35	35	....	163
Hungary	5	2	12	5	133	....	157
Italy	5	40	4	102	3	....	154
Roumania	15	2	26	21	74	....	138
Newfoundland	4	26	2	99	4	....	135
Wales	10	1	9	51	17	....	88
Belgium	6	13	42	6	14	....	81
Denmark	21	19	11	14	16	....	81
Finland	5	18	3	16	16	....	58
Holland	4	11	11	6	4	....	36
British West Indies	1	5	5	16	1	....	28
Czecho-Slovakia	4	4	5	6	7	....	26
Switzerland	7	2	5	10	2	....	26
Australia	3	8	2	9	.....	....	22
India	.....	6	2	9	1	....	18
Channel Islands	.....	1	1	15	.....	....	17
South Africa	1	3	1	7	.....	....	21
Jugo Slavia	.....	.....	.....	.....	10	....	10
Turkey	.....	2	.....	6	1	....	9
Syria	.....	1	1	4	2	....	8
Greece	2	1	.....	2	1	....	6
British East Indies	.....	1	.....	4	.....	....	5
Isle of Man	.....	2	.....	1	2	....	5
Gibraltar	.....	1	.....	3	.....	....	4
Luxembourg	.....	.....	1	1	2	....	4
Bulgaria	2	.....	.....	.....	1	....	3
Malta	.....	.....	.....	2	1	....	3
New Zealand	.....	2	.....	1	.....	....	3
Bahamas	.....	1	.....	.....	1	....	2
British Guiana	.....	.....	1	1	.....	....	2
Isle of St. Helena	.....	.....	1	1	.....	....	2
Japan	.....	2	.....	.....	.....	....	2
Labrador	.....	1	.....	1	.....	....	2
Latvia	.....	.....	2	.....	.....	....	2
Lithuania	.....	.....	2	.....	.....	....	2
Persia	.....	.....	.....	.....	2	....	2
Peru	.....	2	.....	.....	.....	....	2
Algeria	.....	.....	1	.....	.....	....	1
Arabia	.....	.....	.....	1	.....	....	1
Chile	.....	1	.....	.....	.....	....	1
China	1	.....	.....	.....	.....	....	1
Madeira	.....	1	.....	.....	.....	....	1
Samoa Islands	.....	.....	1	.....	.....	....	1
Spain	.....	.....	1	.....	.....	....	1
	3,287	5,557	5,834	37,334	5,913	5	57,930

FINANCIAL SUMMARY OF OLD AGE PENSIONS IN CANADA AS AT MARCH 31, 1931

—	Alberta	British Columbia	Manitoba	Ontario	Saskatchewan	North West Territories	Totals
	Act effective Aug. 1, 1929	Act effective Sept. 1, 1927	Act effective Sept. 1, 1928	Act effective Nov. 1, 1929	Act effective May 1, 1928	Order in Council effective Jan. 25, 1929	
Total number of pensioners as at March 31, 1931	3,287	5,557	5,834	37,334	5,913	5	57,930
Average monthly pension	$19 53	$19 03	$19 25	$19 15	$19 37	$19 83	.....
Total amount of pensions paid during last quarter of fiscal year 1930-31, (period Jan. 1-Mar. 31, 1931)...$	185,458 80	324,749 04	345,333 89	1,578,840 82	351,591 85	468 44	2,786,442 84
Dominion Government's share of expenditure...$	92,729 40	162,374 52	172,666 95	789,420 40	175,795 92	468 44	1,393,455 63
Total amount of pensions paid during fiscal year 1930-31, (period April 1, 1930-Mar. 31, 1931) .....$	683,640 90	1,213,926 60	1,340,551 32	7,068,422 25	1,252,189 02	1,562 74	11,560,292 83
Dominion Government's share of expenditure...$	341,820 44	606,963 30	670,275 67	3,534,211 11	626,094 51	1,562 74	5,780,927 77
Total amount of pensions paid since inception of Old Age Pensions Act to March 31, 1931..$	951,060 94	3,263,563 64	2,989,846 99	9,324,110 57	2,572,131 85	2,120 48	19,102,834 47
Dominion Government's share of expenditure...$	475,530 45	1,631,781 81	1,494,923 52	4,662,005 27	1,286,065 91	2,120 48	9,552,477 44

Hon. Mr. DANDURAND: I should like the honourable Minister to explain to the House the reason for the change in the preamble of the Bill. In the first copy of the Bill sent over to us the preamble read:

Whereas by section three of the Old Age Pensions Act it is amongst other things provided that an agreement may be made with any province for the payment to such province quarterly of an amount equal to one-half of the net sum paid out during the preceding quarter by such province for pensions pursuant to a provincial statute in that behalf; And whereas it is desirable that the system of Old Age Pensions shall be established on a contributory basis as a national undertaking; And whereas, pending the taking of the decennial census of 1931 and obtaining such information therefrom as will enable the necessary actuarial computations to be made, it is desirable and would be of advantage to the Dominion to augment the national contributions: Now, therefore—

—etc. But that declaration of policy, "that the system of old age pensions shall be established on a contributory basis as a national undertaking," is omitted from the copy of the Bill now before us. Will my honourable friend explain why there has been a change of policy, if that is what it implies? The matter is of considerable importance to the country.

Hon. Mr. ROBERTSON: Will my honourable friend read the exact words to which he is referring?

Hon. Mr. DANDURAND: This declaration is not to be found in the Bill now before us:

And whereas it is desirable that the system of old age pensions shall be established on a contributory basis as a national undertaking.

Hon. Mr. ROBERTSON: There is a difference between the Bill as introduced in the other House and the Bill as passed there.

Hon. Mr. DANDURAND: When the Bill was introduced in the other House it contained what perhaps was an expression of the present Government's policy, and I should like to know whether the alteration indicates that the Government has abandoned the view that old age pensions should be established on a contributory basis.

Hon. Mr. ROBERTSON: I have not perused the debate that took place on this

subject in another place, but perhaps I am to some extent familiar with the idea that the Government had in mind. It was publicly announced about a year ago, I think, that the policy of the leader of the present Government contemplated the ultimate establishment of an old age pensions law under which the Federal Government would bear the total cost. That of course implied the establishment of necessary administrative machinery, for it is unthinkable that if the Government paid the total cost resulting from legislation on an important matter of that kind, it would not control the operation of the Act. It is not usual for Governments in granting such large sums of money to entrust the distribution to outside parties. Different opinions were expressed throughout the country as to the best means of conducting an old age pensions system. I think it can be truly said that some people advocated non-contributory pensions, while others suggested non-con-contributory unemployment insurance, which has been pressed upon Governments from time to time. It is possible that the decennial census taken this year will give us more accurate knowledge than we now possess as to the number of unemployed in Canada, the total population of the country, and other interesting facts. When that information is available a new old age pensions scheme may be devised. Pensions may be granted to persons for services rendered as citizens, or to workmen in industries, or in various other ways. Pensions and insurance are not on the same footing, as all honourable members will agree, and the Government desired to make it clear, I think, that insurance must of necessity be on a contributory basis. It was felt that eventually a plan might be developed for combined action with regard to old age pensions, annuities and unemployment insurance, but that it was inadvisable to attempt anything of the kind until further information was in the hands of the Government and available for study by actuaries and other experts in working out a plan, if so desired. I think when this Bill was introduced the Government had something like that in mind. It is not improbable that such a plan would be on a contributory basis, so that the people who benefit would feel they had a proprietary right to do so. We have in Canada, as honourable members know, the Annuities Act, under which at present approximately 50,000 people are making contributions.

The Bill was apparently amended in another place by the elimination from the preamble of the words that have been quoted by my honourable friend. As I have already stated, the principal object of the measure is to increase the Dominion Government's contribution to old age pensions from 50 per cent to 75 per cent of the sums paid out by the various provinces.

It may be of interest to remark here that many people in Canada who are eligible for old age pensions have not applied for them, because they feel that to do so would mean a sacrifice of their independence. They look upon pensions as something savouring of charity. In some provinces—I have one particularly in mind—the opposite view is being entertained to a considerable extent, and it is claimed that the Federal Government is liable for contribution towards pensions for persons over seventy years of age who are living in old people's homes which are supported by municipalities. I am not at all sure that state of affairs will continue very long, for the Government desires that the operation of the Act shall be uniform throughout the country.

I have another observation which may be of interest to honourable members. During my recent trip through Western Canada I found instances of people who have resided in this country for more than twenty years and never thought it necessary or desirable to become Canadian citizens until they reached the age of seventy and wanted to become eligible for pensions. This matter is receiving the attention of the Government at the present time.

Hon. Mr. DANDURAND: Like my honourable friend, I have not read the debate on this matter in the other House. I do not know why the Government dropped certain words from the preamble of the Bill, but I know that Great Britain started out as we did, with a non-contributory scheme, and within three or four years the burden upon the British treasury had became so heavy that a contributory system was found necessary. It seems evident that before long our federal treasury will be carrying the whole burden of old age pensions, and I venture to predict that that burden will be found very heavy. Of course, some plan must be devised, whether on a contributory or a non-contributory basis. I have been agreeably surprised to find that many labour organs in this country advocate the establishment of a contributory rather than a wholly non-contributory system. In view of this fact, it seems to me that preparations should be made for the establishment of such a scheme in the near future. Of course, it may be necessary to consider the establishment of a plan that to some extent at least will operate on a non-contributory basis, for persons who have passed the age of forty and wish to take

advantage of it within twenty-five or thirty years will not be able to make very substantial contributions to the fund. We should begin to think of making some arrangement that will be satisfactory to all concerned. The Dominion Government is assuming more and more obligations that were formerly carried by the provinces. I am somewhat surprised at the elimination from the Bill of the words I have quoted, and I suspect that before long we shall realize more clearly the direction in which we are headed.

Hon. Mr. BEIQUE: Perhaps the Hon. the Minister of Labour will be able to ascertain between now and next session the length of time that old age pensions schemes have been in force in other countries and what the results have been. When we are discussing a matter of this kind in future such information would be very helpful.

Hon. Mr. ROBERTSON: If the House will pardon my acting as though we were in Committee, I would say in regard to the suggestion of the honourable gentleman from De Salaberry (Hon. Mr. Béique), that I should be glad to see it carried out. I can assure him, however, that for some years past the Department of Labour has kept closely in touch with these matters, and has been adding to the information gathered from year to year. I shall be very glad to try to have for him next session a comprehensive picture of the whole situation.

Right Hon. Mr. GRAHAM: A new situation arises in connection with this measure. Some of the provinces pass on a portion of the expenditure to the municipalities, and I think this would be a good time for the Federal Government to intimate to the Provincial Governments that they ought to carry at least a little of this burden which, constitutionally, perhaps, belongs entirely to them. The municipalities at considerable expense establish homes for their aged people and take care of their indigents. I think that when the Federal Government offered to contribute 50 per cent of the expense of this fund it was not intended that part of the expense should be passed on to the municipalities. Of course that is a provincial question. However, when the Federal Government assumes 75 per cent of the cost, the provinces that adopt the measure and contribute the other 25 per cent should do so without further burdening municipalities that are already burdened almost to the limit of their endurance.

Hon. Mr. ROBERTSON: Agreed.

Hon. Mr. LACASSE: I gather from the remarks of the right honourable gentleman from Eganville (Right Hon. Mr. Graham) that what he says applies exclusively to Ontario. I think the Prime Minister of Ontario was the only Premier in Canada who accepted the scheme of old age pensions with that reservation.

Hon. Mr. ROBERTSON: No. There is one other province.

Hon. Mr. LACASSE: I should be interested to know which one it is.

Hon. Mr. ROBERTSON: There is one in the West, but which it is, I cannot state positively.

Hon. Mr. LACASSE: I am under the impression that there is no other; the honourable Minister is under the impression that there is one. But the point is this: to what extent will the Federal Government impose its will upon the provinces along the line suggested by my right honourable friend (Right Hon. Mr. Graham), requiring them to change their laws concerning the application of old age pensions within their jurisdiction?

Hon. Mr. ROBERTSON: I am quite sure that when the Province of Saskatchewan came under the present plan on the 1st of May, 1928, the same policy of contribution by the municipalities, or a similar one, was invoked.

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

THIRD READING

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

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

CHICOUTIMI HARBOUR LOAN BILL

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill 141, an Act to provide for a further loan to the Chicoutimi Harbour Commissioners.

Hon. L. C. WEBSTER: Honourable members, I rise merely to say a few words in support of this Bill. Those who have not visited the port of Chicoutimi recently would be surprised to find considerable activity and considerable change in that old French Canadian settlement. As honourable members are aware, Chicoutimi is at the head of the Saguenay river, about 120 miles from its mouth. It has, or boasts of having, the youngest Harbour Commission in Canada. This Commission is carrying on very successfully and is unique in

that its members serve without remuneration. The harbour is under very capable management. The amount asked for under this Bill is required to complete work that was begun several years ago. The $450,000 will make possible the completion, along the front of the town, of properly equipped docks, providing three berths for ocean-going steamers. Last year the river Saguenay was dredged out as far up as Chicoutimi, and to-day there is ample water for ocean steamers to proceed direct to that port. Last year a 7,500-ton steamer discharged its cargo there and I should think that this year steamers up to probably 10,000 tons could reach the port quite conveniently.

Chicoutimi is the north-eastern terminal of the Canadian National Railways, and is also the terminus of the Canada Steamship Lines. Of recent years we have read of the great developments that have taken place in the Saguenay district. It possesses marvelous water-powers, which are capable of a development quite ample to take care of many new and large industries. At present there is in operation a large aluminum works, and the pulp and paper mills do a very large business. The local traffic of the port of Chicoutimi is considerable. In that north-eastern section of the Province of Quebec there is already a very large and growing trade, and I am satisfied that in the future there will be a still greater development.

I have much pleasure in supporting the Bill.

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

THIRD READING

Hon. Mr. WILLOUGHBY: Unless it is the desire of my honourable friend that we should go into Committee on this Bill, I will, with the consent of the House, move the third reading.

Hon. Mr. DANDURAND: I have looked through the Bill, which seems to contain the standard clauses, and if no other member wishes to have it considered in Committee, I will not ask it.

Hon. Mr. WILLOUGHBY: Then, I move the third reading of the Bill.

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

CRIMINAL CODE BILL

MESSAGE FROM HOUSE OF COMMONS

The Hon. the SPEAKER: Honourable members, a message has been received from the House of Commons returning Bill 113, an Act to amend the Criminal Code, and informing the Senate that they have agreed to the first, second, third, fifth, sixth, seventh and eighth amendments, and have disagreed with the fourth amendment made by the Senate.

Hon. Mr. WILLOUGHBY: What is the fourth amendment?

Hon. Mr. McMEANS: It is the amendment to the clause which says that anyone shall be deemed to be nude who is so scantily clad as to offend against public decency or order. After the amendment had been made in the committee it was decided to insert the provision that no action or prosecution should take place without the consent of the Attorney General. If the committee had considered this provision first, it would not have thought the other amendment necessary. What the committee feared was that under the section as it came from the Commons a charge could be laid that someone had offended against public decency simply because he was not wearing his overcoat. However, I think that if the clause providing that no prosecution may take place without the consent of the Attorney General remains in the Bill, that provision will be quite sufficient.

Hon. Mr. DANDURAND: After we had added the clause providing for the authorization of the Attorney General I realized that the amendment to the definition of nudity was of far less importance than it had been.

Hon. Mr. McMEANS: Under the circumstances I would move that this House do not insist upon the amendment disagreed to by the House of Commons, and that a message be sent to that House accordingly.

Hon. Mr. DANDURAND: That should be satisfactory.

The motion of Hon. Mr. McMeans was agreed to.

BEAUHARNOIS PROJECT

Hon. Mr. DANDURAND: Shall we adjourn now?

Hon. Mr. WILLOUGHBY: We are waiting to hear what the special committee has to report.

Hon. Mr. DANDURAND: We report progress, and ask leave to sit again.

Hon. Mr. WILLOUGHBY: When?

Hon. Mr. DANDURAND: To-morrow.

Hon. Mr. TANNER: The informal committee reports progress.

Hon. Mr. WILLOUGHBY: And asks leave to sit again?

Hon. Mr. TANNER: Yes. To-morrow.

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

THE SENATE

Friday, July 31, 1931.

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

Prayers and routine proceedings.

PUBLIC BUILDINGS AND GROUNDS

REPORT OF COMMITTEE

The Senate proceeded to the consideration of the second report of the Standing Committee on Public Buildings and Grounds.

Hon. C. E. TANNER: Honourable members, I rise not to oppose the adoption of this report, but to make a few remarks in regard to its subject-matter. I am very pleased to see in it recommendations for the improvement and beautification of the grounds surrounding the Parliament Buildings. I think we ought all to be desirous of having these grounds as well kept and as well cared for as possible, and from time to time improved.

I am interested also, as I have reason to be, in the reference to automobile traffic on Parliament Hill. Speaking with all deference, I do not think that the Committee quite appreciates the actual position of matters in regard to traffic on the Hill, nor do I think that the persons responsible for the making of the regulations quite understand the regulations they have made. I recall, honourable members, that some two, three or four years ago the question of the control of traffic on Dominion property was first raised. It was said at that time, and probably it was correct, that there was no power to enforce regulations. In the session of 1930 a statute was passed—chapter 47 of the Acts of that year—to provide for the control of vehicular traffic on Dominion property. That Act authorized the Governor in Council to make regulations—

for controlling or prohibiting the operation of certain vehicles in or upon any of the parks, roads, avenues and driveways which are situate on the property of His Majesty, and over which there exists no public right of way.

The authority given by this statute is as follows:

The Governor in Council may by such regulations:—

(a) Prescribe the maximum speed at which vehicles may be driven;

(b) Designate the kind of vehicle or the time and circumstances under which said vehicles may be allowed to be operated;

(c) Provide the manner in which traffic is to be directed;

(d) Designate the places where vehicles may be parked and by whom, and attach conditions to such parking;

(e) Authorize officers to enforce the regulations;

(f) Designate the parks, roads, avenues or driveways to which any such regulations shall apply;

(g) Prescribe the penalties to be incurred for the breach of any regulations.

As I understand the situation, Parliament authorized the Governor in Council to make some regulations in regard to these matters. Some time ago a copy of regulations that were passed as an Order in Council last year was laid on the Table of this House. My submission is that the statute, the Order in Council and the regulations do not legalize the parking of cars anywhere on Parliament Hill. Paragraph (d), which I read a few moments ago, provides that the Governor in Council may designate the places where vehicles may be parked, and by whom, and attach conditions to such parking. As I understand it, the Order in Council should have designated where cars may be parked on Parliament Hill, if it is intended to permit cars to park here. But there is nothing of the kind in the Order in Council or regulations; they simply authorize the Royal Canadian Mounted Police to stop vehicles and direct the drivers where to park. Consequently, in my opinion, the Order in Council and the statute are futile. As they failed to designate parking places on the parliamentary grounds, there is, I submit, no lawful parking place on the grounds to-day.

The fourth recommendation in the Committee's report is:

Your Committee also recommend that steps be taken to prevent the parking of automobiles on any of the lawns and more particularly at the rear of the Parliament Buildings where automobiles are at present parked and are consequently destroying the grass, and further recommend that steps be taken to secure a parking area for automobiles outside of the immediate precincts of Parliament and suggest that such space might be obtained at the rear of the Confederation Building.

I am not criticizing the Committee or its report. I do not know that the whole of that recommendation is advisable, but the idea back of it is good, namely that the parking question should be considered in a business-like way and some provision made for the future. We all know that automobiles are with us to stay and will be constantly increasing in number. As a rule cities and towns do not take steps to control traffic until congestion forces them to do so. I hope that this question will be dealt with by the proper authority before next session. Many people seem to think cars are not in front of the buildings when near the eastern stairway. I am wholly opposed to the disfiguring of the grounds by cars standing anywhere at the

front, but I am not opposed to cars going to the rear—or over the rear, for that matter. While I contend that parking anywhere on the grounds is at present illegal, I am in favour of increasing the facilities if space can be found in some area other than the front of the buildings.

I should like to refer to one or two other points, in the hope that they may be considered by the Committee next session. Some time ago I called attention in this House to the condition of some of the monuments on Parliament Hill. I am pleased to be able to tell the House that I have had interviews with officials of the Public Works Department, who have looked over the statues, and the Chief Architect has given me his personal assurance that steps will be taken to remove the stains which I mentioned and to restore the monuments to a decent condition.

I want to suggest to the Committee that the lawns in front of this building are not a credit to the country. I do not profess to be a farmer, although I have done a little gardening, but I should be ashamed of myself if I could not grow a better crop of grass than we see on those lawns, and I am sure honourable members who take the trouble to walk over the grounds will agree that there is a great need for improvement. My opinion is that in order to grow good grass it is necessary to have suitable soil which is kept well fertilized, and to use plenty of seed—not to be content with one seeding, but to be sowing continually. So far as I have observed, nothing is ever done to this grass year after year beyond cutting it. Consequently it is getting thinner all the time.

I should also like to draw attention to the condition of the roadway leading up from the gate nearest to the Chateau Laurier. At the other entrances we have concrete walks and pavements, but at this eastern gate the mud and water in the spring is sometimes ankle deep. The conditions there are worse than can be found on any country roadway, and I fail to understand why they have been allowed to become so bad. Why cannot the Public Works Department lay a proper concrete walk from that gate up to the buildings?

Some time ago I inquired in the House for the names of the persons to whom statues have been erected on the parliamentary grounds, and I was informed that they are as follows:

Sir George E. Cartier
Sir John A. Macdonald
Queen Victoria—

I do not know why she was placed third in the list, but she was.

Hon. Alex. Mackenzie
Hon. G. E. Brown
Baldwin-Lafontaine
Hon. T. D. McGee
Sir Wilfrid Laurier.

I have no criticism to make of the erection of statues to these persons, but I am at a loss to understand why no such honour has been paid to any of the statesmen from the Maritime Provinces who did so much to bring about Confederation in 1867. Without entering into historical details, I can say that the Dominion of Canada would not have been established at the time it was if Sir Charles Tupper had not brought Nova Scotia into the Union. I am speaking now only for my own province, and I leave it to some other honourable senator to suggest what representative of New Brunswick should be honoured on these grounds. I hope the Government will see to it that in the near future monuments are erected here to Sir Charles Tupper and to some statesman of New Brunswick who was foremost in bringing that province into Confederation.

Hon. JAMES MURDOCK: Honourable senators, it seems to me that some consideration should be given to the Committee's fourth recommendation, which proposes that parking should not be permitted anywhere on the parliamentary grounds. Every day we see driving up to these buildings automobiles from different parts of the United States, bearing visitors who we hope will get a good impression of Canada. If we keep policemen at the gates to stop visitors and tell them they are not allowed to park nearby, I am afraid that very few of them will see what kind of Houses of Parliament we have in this country. I am of the opinion that the recommendation that cars should be parked behind the Confederation Building, about four blocks away, is probably aimed at some members of the staff. But visitors will not park their automobiles at such a distance and walk up to these buildings. I hope it is not the intention of the Committee totally to prohibit parking at the rear of the buildings.

Hon. F. B. BLACK: Honourable senators, as a member of the Committee which made the report, I may be allowed to make a few observations. I have no wish to usurp the privileges of the Chairman of the Committee in this respect. I presume that the honourable gentleman from Pictou (Hon. Mr. Tanner) is correct as to the legal aspect of the parking situation, for he knows the law better than a layman, such as I, can be expected to know it. I may say, however,

that the allocation of parking areas in the precincts of Parliament is in the hands of the Department of Public Works, which has lined out spaces for cars on both sides and at the rear of the buildings. I do not know whether it possesses the necessary authority to do that, but at any rate the spaces are plainly marked and cars are directed to them by police on the grounds. Unfortunately many cars encroach upon the adjacent lawns, and the intention of the Committee, as I understand it—at least, this was in my mind and I am sure it was in the minds of the other members—is that there should be a coping built, or some other means provided to prevent cars from doing this.

With reference to the remarks of my honourable friend from Parkdale (Hon. Mr. Murdock), I think it can be said that additional parking facilities are needed on Parliament Hill. The Committee recommended that space should be provided in the rear of the new Confederation Building. As all honourable members know, the Government owns the whole tract of land in that vicinity from Wellington street down to the river, and room for a large number of cars should be available there. It is immaterial whether this space would be used exclusively by the cars of sightseers, or members of Parliament, or Government employees. That is a matter for regulation by the Department of Public Works, acting under authority of the Government. I suggest, honourable members, that the appearance of Parliament Hill would be greatly improved if no cars were allowed to be parked in the immediate precincts. My honourable friend from Parkdale has said that American visitors would not care to park their cars behind the Confederation Block and walk up to these buildings. He has no doubt visited Washington, and I presume is aware that he would not be allowed to leave his car standing close to the Capitol. By prohibiting parking in the rear of this building we should not cause offence to our American friends, for their Government at Washington has made similar regulations.

The remarks of the honourable gentleman from Pictou (Mr. Tanner) with regard to Sir Charles Tupper apply with equal pertinence to Sir Leonard Tilley. Had it not been for these two men and the parties that they led, Confederation certainly would not have been achieved at the time it was. The entry of Nova Scotia and New Brunswick into the Union was due very largely to the skill and adroitness of these two statesmen. I can only assume that the absence of monuments to their memory is due to an oversight, and I join with my honourable friend from Pictou in urging the Government to have those statues erected as soon as possible.

The report was concurred in.

Hon. Mr. WILLOUGHBY moved that the Senate adjourn during pleasure.

He said: We have nothing more on the Order Paper, and I suggest that we should adjourn now, to meet again at the call of the Chair. As honourable senators know, two of the members of the committee that was struck yesterday for the purpose of conference on the Beauharnois matter went to Montreal to attend the funeral of Hon. Mr. Doherty. The train from Montreal will arrive about four o'clock, and it may or may not be that after those honourable senators have returned we shall have some business to bring before this honourable body. We shall await the call of the bell.

The motion was agreed to, and the Senate adjourned during pleasure.

After some time the sitting of the Senate was resumed.

Hon. Mr. DANDURAND: I would ask the honourable leader whether he expects any legislation from the Commons to-day.

Hon. Mr. WILLOUGHBY: Nothing is expected to-day.

Hon. Mr. DANDURAND: Then there is no reason why we should not adjourn. The fixing of the time of our next sitting is in the hands of my honourable friend.

Hon. Mr. WILLOUGHBY: I move that when the House adjourns it do stand adjourned until to-morrow at 10.30 in the forenoon.

The motion was agreed to.

The Senate adjourned until to-morrow at 10.30 a.m.

THE SENATE

Saturday, August 1, 1931.

The Senate met at 10.30 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

THE BEAUHARNOIS PROJECT

MESSAGE FROM HOUSE OF COMMONS

The Hon. the SPEAKER: Honourable senators, a communication has been received from the Speaker of the House of Commons, reading as follows:

Friday, 31st July, 1931.

Dear Sir:

Pursuant to the recommendation contained in the Fourth Report of the Select Special Committee appointed to investigate the Beauharnois Power Project and which was concurred in by the House of Commons on Friday the 31st instant, I beg to transmit a copy of the said Report herewith.

I have the honour to be, Sir,

Yours respectfully,

George Black,

Speaker of the House of Commons.

The Honourable P. E. Blondin,
Speaker of the Senate,
The Senate, Ottawa.

Hon. Mr. WILLOUGHBY: I beg to move that the communication received from the Speaker of the House of Commons be taken into consideration at 2.30 this afternoon.

The motion was agreed to.

STATUES ON PARLIAMENT HILL

Hon. JOHN LEWIS: Honourable senators, perhaps I may be allowed to make a few remarks that should have been made yesterday when the question of monuments on Parliament Hill was discussed. I hope that honourable gentlemen from Nova Scotia who are advocating the erection of a statue to Sir Charles Tupper will not forget Joseph Howe, one of the Fathers of Confederation, who was a son of that province.

Hon. Mr. McCORMICK: Hear, hear.

Hon. Mr. LEWIS: He is still held in affectionate memory by the people down there.

At one o'clock the Senate took recess.

The Senate resumed at 2.30 p.m.

THE BEAUHARNOIS PROJECT

RESOLUTION

The Senate proceeded to consider a message from the Hon. the Speaker of the House of Commons to the Hon. the Speaker of the Senate, transmitting the Fourth Report of the Select Committee of the House of Commons appointed to investigate the Beauharnois Power Project.

Hon. W. B. WILLOUGHBY: Honourable members, the day before yesterday the honourable the leader of the Opposition (Hon. Mr. Dandurand) was good enough to nominate three senators, and I nominated three others, to serve on a committee appointed to deal with certain honourable members of this House. That committee gave considerable attention to the matter, and its deliberations have resulted in the resolution that I now have the honour of moving, seconded by the leader of the Opposition, which reads as follows:

Whereas on the 31st day of July of this year the House of Commons adopted the final report, dated July 28, 1931, of a special committee appointed by it to investigate the Beauharnois Power Project:

And whereas a copy of the said report has, by order of the House of Commons, been transmitted to the Senate for its information:

And whereas this honourable House has been deeply perturbed by the condemnation levelled by the said report against certain senators and is keenly conscious of its duty to act in the matter, fully and without delay:

And whereas imminent prorogation precludes immediate action by the Senate, as it is the constitutional right of a senator to be heard by his colleagues in his own defence before any punitive or other action be taken:

And whereas the constitution does not permit of effective penalties being applied to the senators implicated should they fail to justify themselves, as under the British North America Act a member of the Senate may be disqualified from sitting in Parliament only upon one of the following grounds:—

(a) lack of property qualification;

(b) failure to reside in the province which he represents;

(c) bankruptcy;

(d) conviction of treason, felony or any infamous crime.

Therefore be it resolved that in the opinion of this House:

(1) A special committee of the Senate should be appointed within the first week of the next session of Parliament to deal with the conduct and actions of the senators above referred to, as set out in the said report;

(2) The Parliament of Canada at its next session should so amend the Independence of Parliament Act as to provide effective penalties against any member who may be found guilty of dishonourable conduct.

The resolution was agreed to.

BUSINESS OF THE SENATE

Hon. Mr. WILLOUGHBY: As there is no more business before us at the moment, I can only suggest that we adjourn, to meet at the call of the Chair. It is possible that something will come over from the other House this afternoon.

Hon. Mr. DANDURAND: Can my honourable friend indicate approximately the hour at which we are likely to be called together again?

Hon. Mr. WILLOUGHBY: I am sorry to say that, convenient as it would be, it is impossible to predict the hour when we shall have something to do. At lunch time I met a member of the House of Commons who told me that the two Beauharnois Bills had received the second reading—I am only repeat-

ing what he said—and that they were being considered in Committee, where they were not making very rapid progress.

Hon. Mr. BELCOURT: What other measures are to come before us?

Hon. Mr. WILLOUGHBY: The two Beauharnois Bills, the Unemployment Relief Bill, and Supply.

Hon. Mr. DANDURAND: I suppose we need not anticipate being called before 5 o'clock?

Hon. Mr. ROBERTSON: I do not know what discussion will be necessary on the Unemployment and Farm Relief measure. I cannot say definitely, but I think that Bill has been disposed of in the other House. If honourable gentlemen are agreeable, the Senate might adjourn till, say, half-past four, and we shall endeavour to have that Bill here then. The other Bills will follow very shortly, I imagine.

The Senate adjourned until 4.30 p.m.

The Senate resumed at 4.30 p.m.

Hon. Mr. WILLOUGHBY: Honourable members, I have nothing more to communicate than what probably all of you know at this time. The other Chamber is still in Committee on the Bill dealing with unemployment, which will probably be discussed by several of the Labour members. There are two other Bills to be discussed, relating to the Beauharnois development, but they have only been introduced thus far. I do not know, any more than you, when those three Bills are to be ready for this House, but I should think that the two Beauharnois Bills would not occupy much time in the other House after the one on unemployment is disposed of.

I am going to make a tentative suggestion, that we adjourn till 8 o'clock. That is as good a guess as I can make as to when business will be ready for us. I am not yet making a definite motion. We shall have had dinner in the meantime, and shall be better prepared to hold the fort.

Hon. Mr. DANDURAND: I would suggest that if the Commons take their regular recess from six o'clock until eight, we might come back at ten minutes to six and ascertain whether we ought to meet this evening earlier than eight.

Hon. Mr. WILLOUGHBY: I do not think that it would serve any purpose to come back before eight o'clock. I would therefore move that we adjourn till eight o'clock.

At six o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

UNEMPLOYMENT AND FARM RELIEF BILL

FIRST READING

Bill 142, an Act to confer certain powers upon the Governor in Council in respect to unemployment and farm relief and the maintenance of peace, order and good government in Canada.—Hon. Mr. Willoughby.

SECOND READING

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

Hon. Mr. DANDURAND: Explain.

Hon. Mr. WILLOUGHBY: The Bill comes under the Department of Labour, which is administered by my distinguished friend (Hon. Mr. Robertson), and he is the proper person to give an explanation of it.

Hon. G. D. ROBERTSON: This Bill has just been passed in another place and probably has not yet been distributed to honourable members of this Chamber. I think we probably have a general knowledge of its contents, but if honourable members desire that any clauses should be read when we are at the committee stage, that can be done.

The purpose of this Bill, as is indicated by its title, is to enable the Government to do what is necessary during the recess of Parliament for the assistance of the unemployed and for farm relief in Western Canada. In the West, as honourable members know, the need for direct assistance to the rural people, particularly in the Province of Saskatchewan, will doubtless be very great. The extent to which farm relief will be required will depend considerably upon what happens during the coming weeks, before the harvest is gathered. In the month of June and the early part of July copious rains fell in Saskatchewan and over other wide areas in the West, and there is hope that a rather large quantity of fodder for cattle may still be secured; but it is certainly true that in a considerable portion of the one province in particular, and in sections of the other two, the crop will be mostly a failure. The unemployment situation being also acute, the Government is endeavouring through this Bill to assist the unemployed by the creation of employment opportunities, and to make provision for people who will have to be supplied with food, fuel and other necessities during the coming winter.

The situation in Canada last winter was somewhat difficult, owing to conditions pre-

vailing abroad as well as in this country, and it has been thought wise by the Government, and approved by the other Chamber, that the administration should possess ample power to preserve and maintain peace, order and good government throughout the Dominion. This also is one of the purposes of the Bill.

It may be fitting at this time to make a few observations regarding the economic situation that has now existed in Canada for about two years. In 1929 unemployment was not so serious as it has since become, but before the spring of 1930 it had caused much suffering. Last year the Government was authorized by Parliament to make a large contribution towards the relief of unemployment during the past winter. Parliament appropriated the sum of $20,000,000 and placed it at the disposal of the administration for that purpose. Agreements were made with the various provinces and larger municipalities whereby, through a system of co-operation, a very substantial number of employment opportunities were created and the situation was greatly relieved. This is the third year of crop failures in the West. All over the country the prices obtainable for agricultural products are very low. Only a few of our industries, which need not be mentioned just now, have revived. Some of the major ones, such as those engaged in the production of lumber, pulp and paper, have remained very quiet, and many men have been thrown out of employment. As a result of these things there will undoubtedly be greater need for assistance this winter than there was even a year ago. Every member of Parliament, I think, regardless of his political affiliations, recognized the necessity for relief. By the Bill the Government is authorized to perform what seems to be a national duty.

Perhaps it is not desirable at this late hour of what we hope will be the last day of the session to enter into a lengthy discussion at the second reading stage. In passing I may be permitted, however, to indicate briefly to honourable members what has been done as a result of the Unemployment Relief Act of last year. More than 300,000 people found intermittent employment, for various lengths of time, on the co-operative works carried on during last winter and up to the present. There were employment opportunities created and works authorized on a co-operative basis by municipalities, provinces and the Federal Government to the value of $70,836,437. The amount to be used out of the $20,000,000 appropriated by Parliament depended to a large extent upon the works that municipalities and provinces would undertake. The Federal Government's allotment for the cost of such works amounted to $14,742,962. In addition, out of last year's grant, the Government set aside for direct relief purposes, that is, for relief where employment opportunities could not be provided and people were consequently destitute, the sum of $4,000,000. Of that sum there had been spent up to July 28 last $1,736,566. We are sure, however, that somewhat more than half a million dollars is still outstanding on accounts payable for direct relief granted. Most of the works undertaken were to be concluded not later than July 1 of this year, and to a large extent they have been, but according to agreement made a year ago the railways' program, amounting to about $25,000,000, cannot be completed until about the end of the present year. There has been paid out of the federal treasury, as the Government's proportion of the cost of works undertaken and completed, the sum of $9,410,790. There remains unexpended, to cover the cost of works not yet completed, the sum of $5,332,171, and when these works are finished, payment will be made out of this sum.

The direct relief fund has been drawn upon largely since these figures were compiled, because in places where authorized works have been completed normal seasonal undertakings and employment opportunities have not been available, and consequently large numbers of people who ordinarily would have found employment at this season of the year have become dependent upon direct relief. This assistance is meted out at the discretion of the municipal authorities, for they must necessarily be the sole judges of the needs of the people within their jurisdictions. Under agreements executed last fall, all the provinces bear one-third of the cost of direct relief, the balance being borne equally by the municipalities and the Federal Government. The Federal Government's contractual obligations have not yet been met, because the accounts have not been rendered.

As we have passed through the midsummer season and are approaching the fall, there is prospect of a still greater need of state assistance. This is particularly true of the provinces west of the Great Lakes. In the northern parts of the provinces of Ontario and Quebec, because of a contraction in the lumbering, pulp and paper industries, and in the larger centres of these provinces, the necessity for aid next winter will be great. To a degree the same condition will exist in the Maritime Provinces. Thanks to a kind Providence, crops east of the Great Lakes are bountiful, and

even though prices are below normal, most of our farmers in Eastern Canada will be self-sustaining.

Hon. Mr. DANDURAND: Will the assistance be extended along the same lines under this Bill as it was under the other Bill, namely through the provinces and municipalities?

Hon. Mr. ROBERTSON: A definite pronouncement in that regard would probably be premature. The experience of last year has shown that co-operation with the provinces and municipalities is in most cases quite satisfactory, but that there are some isolated instances in regard to which the regulations governing the administration could be improved. It is true also that a considerable number of the municipalities, especially those in Western Canada, have been unable to collect anything like the usual amount of taxes; in many cases the amount collected has been less than fifty per cent: therefore they will be quite unable to continue on a co-operative basis to pay the share that they bore last year. In such instances there may have to be some variation in the proportion they will pay. Some of the larger undertakings, such as highway contracts, will be carried on outside of the boundaries of the municipalities by single men and by transient labour now located in urban centres. The Government is assured that the cities, if relieved of the problem of looking after these men, will proceed with many public works which, though perhaps not immediately necessary, will be of ultimate use, in order to furnish employment opportunities to married men within the municipalities.

The Government will in the near future draft the necessary regulations under which to carry out the proposals contained in this Bill. I shall not be at all surprised if the Provincial Governments, either individually or collectively, are invited to participate in their preparation. The provinces will be contributing towards the cost of creating employment opportunities; therefore the Government feels that they should be consulted.

The cost of administration of the Act of a year ago has been surprisingly small. Every effort has been made to administer it as efficiently and economically as possible. One-half of one per cent of the $20,000,000 voted last year was set aside for the cost of administering the fund, and while, as I have already intimated to the House, there are further payments to be made in this connection, the cost of administration up to the present time has not amounted to more than $27,624.

Hon. Mr. BELCOURT: May I ask how much of the sum of $20,000,000 is still left?

Hon. Mr. ROBERTSON: The Bill of 1930 provided that the sum remaining unexpended on March 31, 1931, would lapse. That unexpended portion amounted to $1,157,038.

One activity to which I have not yet referred is the construction of grade crossings. I take it that my right honourable friend the ex-Minister of Railways (Right Hon. Mr. Graham) will be interested in that phase of the work. The Grade Crossing Fund had to its credit last summer a very substantial balance running into hundreds of thousands of dollars. To that was added an appropriation of $500,000 from the unemployment relief fund. These sums were to be used for grade separation, a work which served a double purpose in creating employment opportunities and at the same time reducing the hazards at railway crossings.

I may have omitted to mention certain details of the Bill. If so, the omission can perhaps be remedied when we reach the committee stage. The House of Commons made two amendments to the Bill, which will be explained when we reach sections 4 and 7 in Committee.

Hon. RAOUL DANDURAND: Honourable members, my honourable friend is quite right when he says that he has heard no criticism of the end which the Government had in view in introducing this Bill. The only criticism that has been stressed relates to the power which the Government seeks and the method by which it is to administer the relief. Unquestionably this is a very unusual measure. I doubt whether there is any precedent for it in our annals, or in the legislation of any other Parliament in the world in times of peace. The guarantees allowed to the Montreal Harbour Commissioners for the building of the Montreal bridge have been cited elsewhere, but in that case the amount involved was not large and the cost of the undertaking was to be borne by the Montreal Harbour Board, the City of Montreal, and the provincial authorities. Therefore I think it cannot be contradicted that the present Bill, conferring unlimited power to expend an unlimited sum in any form the Government may desire, and anywhere in Canada, is something entirely new. There is no limitation whatever.

The terms of the preamble are not as wide as the terms of the Bill itself. Usually the contrary is true. The preamble says:

Whereas by reason of the continuing world wide economic depression there exists in many parts of Canada a serious state of unemploy-

ment and distress; and whereas the partial failure of the wheat crop of Western Canada has intensified the adverse economic conditions theretofore prevailing; and whereas it is in the national interest that Parliament should support and supplement the relief measures of the provinces and other bodies in such ways as the Governor in Council may deem expedient, and for that purpose should vest in the Governor in Council the powers necessary to insure the speedy and unhampered prosecution of all relief measures and the maintenance of peace, order and good government in Canada.

A little farther on, the Bill provides that the Governor in Council may—

Assist in defraying the cost of the production, sale and distribution of the products of the field, farm, forest, sea, river and mine.

Then, entering a wider field, it says:

Assist provinces, cities, towns, municipalities, and other bodies or associations, by loaning moneys thereto or guaranteeing repayment of moneys thereby, or in such other manner as may be deemed necessary or advisable.

But that is not all. It covers a still wider area of possibilities when it says:

Take all such other measures as may be deemed necessary or advisable for carrying out the provisions of this Act.

I regret to say that the drafting of this proposal is such as to create in the country and abroad a most depressing effect. The terms of the Bill presage calamitous days, such as never before experienced in Canada, and stress the fear of riot and rebellion by calling for unusual powers for the maintenance of peace, order and good government in Canada. Canada's present and its future seem to be painted in unduly sombre colours. Our population is a peaceful and law-abiding one, and I do not know why we should herald the suggestion that great dangers loom up in the near future.

The programme outlined in section 3 is the biggest ever devised by a Canadian Government. It imposes on the Government the most stupendous responsibility. It may create such a situation as will accentuate that responsibility, for without doubt it will sharpen all the appetites throughout the land. It is easy to perceive what may happen when people learn that the Government may assist in defraying the cost of the production, sale and distribution of the products of the field, farm, forest, sea, river and mine. It requires courage to undertake to meet such demands as may arise from the provisions of section 3.

The powers that are sought by sections 4 and 5, for the making of orders and regulations and their enforcement through penalties and imprisonment, suggest very perilous times indeed. It would seem as though we were facing emergencies as in the Great War.

The terms of the Bill strike me as exorbitant, but for my part I will leave the responsibility with the Government, who will have to apply them. I have faith in the honesty of purpose of our Prime Minister, and in the integrity of the Minister of Labour, who will be charged with the direct administration of the Act. I realize that they are assuming very great risks, and I shall be able to judge of their performance when, under the amendment voted by the House of Commons, and which now comes to us, they render an account of their stewardship before or during the month of March next.

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

THIRD READING

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

Hon. Mr. BELCOURT: Before the motion is put, I desire to make a suggestion to my honourable friend. I hesitate to do so, because an amendment of the Bill at this stage might jeopardize its enactment and interfere with the time set for prorogation. However, I should have liked to include in section 7 a provision to cover actions taken where prosecutions are instituted under section 6 and penalties recovered.

Perhaps I had better read section 7:

7. A report shall be laid before Parliament within fifteen days after the expiration of this Act, containing a full and correct statement of the moneys expended under this Act and the purposes to which they have been applied, together with copies of all orders and regulations of the Governor in Council made under the provisions thereof.

Now if we look at section 6 we find that:

6. The Governor in Council may prescribe penalties that may be imposed for violation of the orders and regulations made under the authority of this Act, but no such penalty shall exceed a fine of one thousand dollars or imprisonment for a term of more than three years, or both fine and imprisonment, and may also prescribe whether such penalty shall be imposed upon summary conviction or upon indictment.

That section confers a very wide power, and I think that at the very earliest opportunity Parliament ought to be advised of the proceedings taken during the year under section 6. I do not know that it is possible at this stage to insert a provision to the effect that Parliament should be so advised, but I think that section 7 ought to be made to cover details of actions under section 6 as well as the other items mentioned.

Hon. Mr. ROBERTSON: I think it is proper to point out that section 6 of the Bill pertains and applies to possible prosecutions in connection with the maintenance of peace, order and good government.

Hon. Mr. BELCOURT: Yes.

Hon. Mr. ROBERTSON: And that it will have little if any effect on the general administration of relief or the question of employment opportunities. Therefore it does not appear that section 6 need be amended. I am speaking personally.

Hon. Mr. BELCOURT: I proposed an amendment not to section 6, but to section 7.

Hon. Mr. ROBERTSON: The honourable gentleman proposed to consolidate 6 and 7. Section 7 of the original Bill has been amended in the House of Commons, and, speaking in this instance for myself alone, as having some responsibility in connection with the administration of the Act, I think the amendment was a very unwise one. In my humble opinion the Bill would have been far better without that amendment. If we are not going into Committee, I can give the reasons now, although, as prorogation is imminent, it may not be advisable to open a discussion of the matter at this late hour. The Bill as submitted provided that the Act should expire on the 31st day of March, 1932, which is the end of the fiscal year. As I am sure all honourable gentlemen will admit, winter throughout the greater part of Canada is not over even on the 31st of March; therefore to fix the first day of March as the date when the Act shall expire was, in my opinion, unfortunate.

Right Hon. Mr. GRAHAM: What were the reasons given?

Hon. Mr. ROBERTSON: I do not know. The change occurred when the Bill was under consideration in another place; therefore I will qualify my remarks by saying that I am expressing my personal views and not the views of the Government, for the Government must have had good reasons for the change.

Hon. Mr. ROBINSON: Perhaps because Parliament would be in session then.

Hon. Mr. ROBERTSON: That may have been the reason given, but I would point out that if that is the only reason it is a bad one. Parliament may meet some time in the month of February, and, as we all know, it spends two or three weeks in debating the Speech from the Throne. If no more money were appropriated, works already under way might have to be held up, although people might be hungry and in need of either work or assistance. The first or even the middle of March in this country is not the time to throw people out of employment. The Act should not expire before the 31st of March. I repeat, I am expressing my personal view.

A further amendment, which was made in another place, complicates the situation still more by providing that:

> A report shall be laid before Parliament within fifteen days after the expiration of this Act.

That means that a report of all the operations and activities under this Act must be laid on the Table of Parliament by the 15th day of March.

Right Hon. Mr. GRAHAM: Whether Parliament is in session or not.

Hon. Mr. ROBERTSON: Whether we are in session or not; but the probability is that Parliament will be in session. The amendment does not name the date, but it says "fifteen days after the expiration of this Act," and by the other amendment, changing the date, that expiration is on March 1st. There will be a great many undertakings of various sorts carried on under this Act. Honourable gentlemen may not have noticed or perhaps fully appreciated the amount of work, time, energy and care necessary to prepare the report on unemployment that was submitted during the present session of Parliament. I think the requirement in the 1930 Unemployment Relief Act was that a report should be submitted within fifteen days after Parliament met. The report as filed covered a period ending about a week before the time the report was laid on the Table. The expenses paid after that report was filed will probably have to be reported upon or referred to in the finances of the current fiscal year. The administrators will have to file by March 16 next a special report covering the expenditures and activities under this Act; they will also have to report on the fag-end operations covering the fifteen days between March 16 and March 31, the end of this fiscal year. I submit to the House that that is not good business, and that it will be confusing to members of Parliament to be burdened with reports made up in that way, and for such a purpose.

I would therefore say that if there were to be an amendment to section 7 such as that suggested by my honourable friend the senior member for Ottawa (Hon. Mr. Bel-

court), we should take all those matters into consideration, and, to use a homely phrase, make the amendment sensible. I may be criticized by my colleagues in the Government for making such a suggestion at the present moment, but I do so because I have some responsibility in connection with the administration of the Act. I do not intend, however, to move an amendment, for the House of Commons, the governing body that has to provide the funds, has expressed by its action a desire that these reports should be made in a certain manner. I do feel, though, that it was a mistake to have the Act expire on the 1st of March instead of the 31st.

Hon. Mr. BELCOURT: May I repeat what I said—that it was with considerable hesitation I suggested my amendment; not because I did not think it was a proper one, for in fact I believe it was quite proper, but because of the fact that if the amendment were adopted the Bill would have to go back to the House of Commons and that might very seriously inconvenience both Houses. My honourable friend has discussed a point that is entirely different from that which I raised. The termination of the Act is a question which was not at all involved in my suggested amendment, and as to that question, of course, I have no comment to make.

I rise at this moment merely to say that I do not propose to insist on the suggested amendment. Since I was on my feet before, I have realized that in any case the information which would be covered by my amendment could easily be obtained at any period next session.

Hon. Mr. ROBERTSON: Yes, by putting questions on the Order Paper.

Hon. Mr. BELCOURT: Exactly; and in view of that, I do not want to stand for a moment in the way of legislation, and do not insist on the amendment I suggested.

Right Hon. Mr. GRAHAM: Honourable members, I should like to suggest to my honourable friend the probable source of that amendment to which he objects. I thoroughly agree with him that if the Act says he must make a report fifteen days after its expiration he cannot make a real report. It has always been insisted upon, in regard to Bills for the construction of branch railways, that a report of all the expenditures and the workings should be laid before Parliament within fifteen days after the opening of the following session. But that was a different thing from what the present Bill calls for. The expenditures on those branch lines were checked up from day to day, and from week to week, and so far as the expenditures were concerned, the reports could be made in a very few days. I imagine that this amendment has been taken from the standard clause included in all branch line railway Bills in recent years, and that it has been inserted in this Bill without full consideration being given to what was meant by the demand for a real accounting within fifteen days after the expiration of this Act. While I agree with my honourable friend the Minister of Labour in the opinion that the Bill in this form hampers him, I must leave him to work out his own salvation, feeling that he is competent and will be able to do it, though he cannot within fifteen days make as full a report as ought to be made.

Hon. R. DANDURAND: This legislation proposes to give greater powers to the Administration to maintain "peace, order and good government in Canada."

Right Hon. Mr. GRAHAM: Does that mean good government or bad government?

Hon. Mr. DANDURAND: I merely quote the words "good government in Canada." Now, my honourable friend has just indicated, with respect to this Bill, that at present we have bad government in Canada. I am referring, not to the Administration itself, but to the fact that there is not the right arrangement as between the two Houses of Parliament for the conduct of the country's business. Would senators and members of Parliament not be better informed if every minister, for the purpose of explaining bills, could appear in the House in which he has not a seat? For example, would it not have been to the advantage of the House of Commons that the Minister of Labour (Hon. Mr. Robertson) should be able to go there and make clear the intricacies of this measure, which he will be administering?

The Right Hon. the Prime Minister is credited with possessing a spirit of initiative. I know he is interested in maintaining harmonious and efficient relations between the two Chambers. He may be unaware of the discussion that we had here on this matter at the beginning of the present session. If that is so, could it not be drawn to his attention? And when he has a few moments of leisure, perhaps he might consider the suggestion that his colleague could present bills here during the long debate on the Address or on the Budget in the other House, and that the Minister of Labour ought to be able to cross over to the Commons to explain bills. I am under the impression that our honourable friend the Minister has been criticized because he has a seat in the Senate.

Well, it seems to me that we could easily arrange to lend him occasionally to the House of Commons, and the loan would result in great profit to that House.

Hon. Mr. BELCOURT: Hear, hear.

Right Hon. Mr. GRAHAM: I should not mind that, but what should we get in exchange?

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

BUSINESS OF THE SENATE

Hon. Mr. WILLOUGHBY: Two Bills dealing with the Beauharnois Light, Heat and Power Company have yet to come over to us from the other House. In the meantime we have no further business.

Hon. Mr. DANDURAND: Perhaps we should adjourn during pleasure.

Hon. Mr. WILLOUGHBY: I think that is the best thing to do. I move that the House adjourn during pleasure, to reconvene at the call of the bell when the Bills are available.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

BEAUHARNOIS LIGHT, HEAT AND POWER COMPANY BILL

FIRST READING

Bill 143, an Act respecting the Beauharnois Light, Heat and Power Company, Limited.—Hon. Mr. Willoughby.

SECOND READING

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

Hon. Mr. DANDURAND: Explain.

Right Hon. Mr. GRAHAM: Explain, please.

Hon. W. B. WILLOUGHBY: This Bill deals with Order in Council P.C. 422, dated March 8, 1929, as amended by Order in Council P.C. 1081, dated June 22, 1929, purporting to be made under the provisions of the Navigable Waters Protection Act, and the validity of an agreement dated June 25, 1929, between the Beauharnois Light, Heat and Power Company, Limited, and the Government, based upon the amended Order in Council.

The second clause of the Bill gives to the Beauharnois Light, Heat and Power Company, its successors or assigns—making provision, of course, for the fact that the Government has taken over the project—the right to divert from Lake St. Francis up to but not exceeding 53,072 cubic second feet of water of the flow of the St. Lawrence river, to be returned to Lake St. Louis, and to be used for the development of hydro-electric power between those two said points in such manner, upon such terms and conditions, and with such limitations and reservations, as may be prescribed by Order of the Governor in Council.

Clause 3 provides that no further or additional diversion of water shall be made by the said company except with the express approval of Parliament. You will note that it is not by Order in Council, but with the approval of Parliament.

The Bill is to come into force by proclamation of the Governor in Council.

Hon. Mr. DANDURAND: Do I understand that the Order in Council which is cancelled is replaced by the present Bill?

Hon. Mr. WILLOUGHBY: The two Orders in Council.

Hon. Mr. DANDURAND: Order in Council No. 422, dated March 8, 1929, as amended by Order in Council 1081, dated June 22, 1929, and the agreement between the Beauharnois Light, Heat and Power Company, Limited, and His Majesty the King, dated June 25, 1929, are hereby annulled.

Clause 2 gives the Beauharnois Light, Heat and Power Company the right to divert from Lake St. Francis up to 53,072 cubic second feet of water of the flow of the River St. Lawrence. This water is to be returned to Lake St. Louis, and is to be used for the development of hydro-electric power in such manner, upon such terms and conditions, and with such limitations and reservations as may be prescribed by Order of the Governor in Council. That means—I stand to be corrected if I am in error—that these Orders in Council and the agreement of June 25, 1929, between the Beauharnois Light, Heat and Power Company and His Majesty the King, are partially replaced by this Bill so far as the amount of water that can be diverted is concerned.

Hon. Mr. WILLOUGHBY: Yes.

Hon. Mr. DANDURAND: But also by another Order in Council, the development being subject to such terms and conditions, and such limitations and reservations, as the Governor in Council may deem advisable. I should like to have some information as to what effect this cancellation will have upon the company, which obtained powers from the Province of Quebec to build a waterway and develop water-power under certain conditions.

Hon. Mr. WILLOUGHBY: Under clause 2 the Government becomes the assignee of the powers conferred under the agreement with the Beauharnois Light, Heat and Power Company.

Hon. Mr. DANDURAND: Yes, but I should like to know what effect this cancellation will have upon the fortunes of the company, which has been granted powers by the Province of Quebec under a lease that entails a number of heavy obligations on the part of the company. For instance, there was to be an annual return of money to the province, and this would go on increasing as the development progressed. In what manner are the rights of the province in this regard protected?

Hon. SMEATON WHITE: Clause 4 of Bill 144 covers that situation.

Hon. Mr. DANDURAND: We are dealing with Bill 143.

Hon. SMEATON WHITE: But the two Bills go together.

Hon. Mr. TODD: I do not think the rights of the province are affected. It is only the water that is affected under the Order in Council.

Right Hon. Mr. GRAHAM: Quebec claims the water.

Hon. Mr. TODD: Yes, but they get part of it from here.

Hon. Mr. DANDURAND: I understand that in the matter of that development the Federal Government recognized but one duty —to protect navigation, which comes within federal jurisdiction. In conformity with the division of constitutional powers, the authorization given by the Province of Quebec is subject to the approval of plans by the federal authorities. That company, having obtained by Order in Council the authorization to proceed with the work, and having secured the approval of its plans, is now left without power.

Hon. SMEATON WHITE: I gather from what was said in another place that the plans were never approved. It was not shown that they had been approved by the Government.

Hon. Mr. DANDURAND: The general plan was approved, and there remained only the question of the diversion of the water.

Hon. SMEATON WHITE: I think the Order in Council called for the submission of plans for approval by the Minister. The Minister never approved of any plans. That was the statement made in another place.

Hon. Mr. TANNER: The Deputy Minister of Public Works, in giving evidence before the Committee, said very positively that these plans had never been approved by the Minister.

Hon. Mr. BELCOURT: May I draw my honourable friend's attention to a matter that has occurred to me by reason of what has been said by the leader on this side of the House? The rights of the Province of Quebec, whatever they may be, are reserved.

Hon. Mr. DANDURAND: In Bill 144.

Hon. Mr. BELCOURT: That is the point that my honourable friend to my left raised a moment ago. But it occurs to me, and I think it must occur to other members of the Senate, that there are other rights, which appertain to the public and which are not in any way guarded, saved or reserved by either of these Bills. By section 1 of Bill 143 the agreement between the Beauharnois Light, Heat and Power Company, Limited, and the King, dated the 25th of June, 1929, is annulled. Under the provisions of that agreement contracts and agreements probably have been entered into between the Beauharnois Company and persons who have supplied either work or material for the construction, and others who have bought the securities of this company. I would ask whether their rights are not wiped out by the cancellation of the agreement between the company and His Majesty. It is quite proper to protect the rights of the Province of Quebec, whatever they may be; but what about the rights of third parties who have had dealings with this company arising out of the agreement in question?

Hon. Mr. DANDURAND: And the bondholders?

Hon. SMEATON WHITE: The Dominion is to give certain rights to the water. The province granted the charter, and it is for the province to see that the rights given under that charter are protected in every way. I think the province is going to look after those rights. I do not think this legislation interferes in any way with rights granted by the province.

Hon. Mr. BELCOURT: I understand that. But does that mean, in my honourable friend's opinion, that the rights of third parties are not and cannot be affected by either or both of these Bills?

Hon. SMEATON WHITE: That you cannot say.

Hon. Mr. ROBERTSON: Would my honourable friend refer to section 2 of Bill No. 143?

The Beauharnois Light, Heat and Power Company, Limited, its successors or assigns, is hereby granted the right to divert from Lake St. Francis up to but not exceeding 53,072 cubic second feet of water.

That, I presume, confirms the right that the company held under contract.

Hon. Mr. BELCOURT: That is quite right, but it still leaves open the question of the rights acquired by third parties.

Hon. Mr. WILLOUGHBY: What is there to show that any third parties exist?

Hon. Mr. BELCOURT: Of course I cannot say as to that.

Hon. Mr. WILLOUGHBY: Is there any right that my honourable friend knows of and that is not being protected? If there is not, he should not raise a ghost.

Hon. Mr. BELCOURT: I do not want to raise a ghost at all; but it must be obvious to every one of us, because a good deal of this work has been done, that the Beauharnois Company has entered into agreements with third parties, and has sold bonds, securities, etc. Those are the people of whom I am thinking. It may be that their rights are not affected; but we should protect them as far as we can.

Hon. Mr. DANDURAND: A huge trench is being excavated, extending for some miles from the head of the canal down to Beauharnois. So long as the trench is on the mainland, and no water is being diverted, the work can be continued without any authority from the Federal Government, because the property is under the jurisdiction of the province and has been acquired by the company by purchase, expropriation, or otherwise. It seems to me that federal intervention can be justified only when the canal is opened and water is diverted. The plans then would have to be approved by the Federal Government as affecting matters under federal jurisdiction The Beauharnois Company is given a certain number of cubic second feet of water, but the plans concerning that diversion and use will have to be approved by a new Order in Council. Of course it would be impossible for my honourable friend to tell us what limitations and reservations are likely to be prescribed by that Order in Council.

Hon. Mr. TANNER: If it is correct, as I understand the law officers hold it to be, that the Minister or the Government cannot give permission for the diversion of the river into this ditch—that that can be done only by virtue of an Act of Parliament—of what value will the ditch be to the people who have it?

Hon. Mr. ROBERTSON: Without water?

Hon. Mr. TANNER: As I understand it, the Navigable Waters Protection Act does not extend to a work of this kind. It was all right when someone wanted to build a little bridge across a stream; but it never contemplated a work such as this, and does not apply. That, I understand, is the opinion of the law officers. Consequently, if this statute is not passed, the gentlemen who have built the ditch can have it, but they cannot get the water. This legislation, as I understand it, will save them.

Hon. Mr. DANDURAND: We are not called upon to interpret the statutes. By Order in Council these people were given the right to proceed. That Order in Council is cancelled, and this Act of Parliament is passed. But I would point out to my honourable friend that the right to the water is to be granted by Order in Council.

Hon. Mr. TANNER: Yes, subject to conditions.

Hon. Mr. DANDURAND: But we are reverting to the Order in Council.

Hon. Mr. TANNER: Subject to conditions which safeguard public interest.

Right Hon. Mr. GRAHAM: I should like to get a little information on these two Bills, which cannot very well be discussed separately. When we have finished with one, if we are allowed a little freedom, we shall probably have finished with both. At least, I shall. Now, the law officers of the Crown must have approved of the Order in Council.

Hon. Mr. TANNER: But it is said that the Order in Council is not valid.

Right Hon. Mr. GRAHAM: I do not know whether it is valid or not, but as a layman I presume that the law officers judged it to be valid. Section 3 of Bill 143 says:

No further or additional diversion of water of the River St. Lawrence shall be made by said company except with the express approval of Parliament.

That intimates that it could be done.

Hon. Mr. ROBERTSON: Heretofore it has been done.

Hon. Mr. TANNER: The Bill itself says there are grave doubts of the validity of the Order in Council.

Right Hon. Mr. GRAHAM: Doubts have been raised, but the law officers must have approved of the Order in Council. I know how these things are done.

If I am permitted, I should like to say a few words about both Bills. It looks to me as if they are laying the foundation for a lively row with the Province of Quebec. Up to date the Privy Council has leaned to the opinion that the bed of a river, with the water running over the bed, belongs to the province concerned. That being so, the mere fact that Parliament declared the works mentioned here to be for the general advantage of Canada would not take away the rights of the Province of Quebec.

Hon. Mr. TANNER: My honourable friend is speaking of Bill 144 now.

Right Hon. Mr. GRAHAM: I am discussing both Bills. They are so interlocked that we may proceed with them informally, I suppose. It looks to me as if the Government itself might be going into the power business. Section 2 of Bill 143 reads:

The Beauharnois Light, Heat and Power Company, Limited, its successors or assigns, is hereby granted the right to divert from Lake St. Francis up to but not exceeding 53,072 cubic second feet of water of the flow of the River St. Lawrence, to be returned to Lake St. Louis and to be used for the development of hydro-electric power between the two said points, in such manner, upon such terms and conditions and with such limitations and reservations as may be prescribed by Order of the Governor in Council.

This Bill gives the Governor in Council certain authority. I am not going to discuss whether the authority is new or not, but evidently the Government believes that power will be developed by somebody between the two points mentioned. It might appear from Bill 144 that this whole power scheme was going to be taken over by the Governor in Council. In fact, some newspapers have come out with very large headlines stating that the Bill means Government ownership. I should like to understand clearly whether it does mean that. Section 3 of the Bill says:

The Governor in Council is also hereby authorized to purchase or otherwise acquire and vest in His Majesty in the right of the Government of Canada all such lands and works as may be deemed necessary or useful for the improvement of navigation by means of said canal between Lake St. Francis and Lake St. Louis—

Hon. SMEATON WHITE: Nothing is said about power there.

Right Hon. Mr. GRAHAM:

—and to authorize in relation thereto the exercise of all or any of the powers conferred by the Expropriation Act.

While it does not say anything about power, it authorizes the taking over of lands and works; the expropriation of them, if necessary.

Hon. SMEATON WHITE: For only one purpose.

Right Hon. Mr. GRAHAM: But the point I am making, perhaps feebly, is that you cannot separate navigation from power. If you go ahead with that canal there will be certain power available. The Beauharnois project was for the development of power, and navigation was to be provided to the Federal Government free of cost, I believe.

Hon. Mr. TANNER: Does not clause 4 of Bill 144 completely protect the interests of the Province of Quebec?

Right Hon. Mr. GRAHAM: No, I think not. That raises the question whether the water belongs to the Province of Quebec or not, a question that has been practically settled.

Hon. Mr. TANNER: It belongs to Quebec now as much as it did a year ago.

Right Hon. Mr. GRAHAM: Quebec gave the charter for the development of power.

Hon. Mr. TANNER: There will be no change in ownership.

Right Hon. Mr. GRAHAM: The Government will have the authority to take away all the works on lands or lands covered with water—

Hon. Mr. TANNER: Oh, no.

Right Hon. Mr. GRAHAM: Yes. Read section 3. To my mind this is laying the foundation—whether it is intended to do so or not—for a dispute that will go to the Privy Council before it is settled.

Hon. Mr. TANNER: Not one drop of water has been diverted yet. The river is the same as it was a year ago. Bill 144 says that Quebec shall have all its rights.

Right Hon. Mr. GRAHAM: My honourable friend is not going to get me off the track, when he sees I am on the right track—the horse-sense track. Clause 4 says:

Nothing in this Act contained shall be deemed to affect the rights, if any, that may

be vested in the Province of Quebec over or in respect of the use of the waters of the River St. Lawrence for the development of hydro-electric power.

It says "the rights, if any." That raises the question of ownership.

Hon. Mr. SMITH: In the other House just now the Secretary of State has made an amendment changing the words "the rights, if any" to read "any rights".

Right Hon. Mr. GRAHAM: Then we are discussing a Bill that is incorrectly worded, for that amendment is not in here.

Hon. Mr. WILLOUGHBY: I have two trifling amendments here that would not affect the point the right honourable gentleman is discussing.

Hon. Mr. DANDURAND: Is clause 4 of Bill 144 amended?

Right Hon. Mr. GRAHAM: If so, how is it amended?

Hon. Mr. WILLOUGHBY: Section 4 is not touched at all, according to the amendments that have been brought to me. In the tenth line of the Bill, on the first page, the words "New Welland Canal" have been changed to "Welland Ship Canal."

Right Hon. Mr. GRAHAM: I am talking about section 4.

Hon. Mr. WILLOUGHBY: I have nothing before me.

Hon. Mr. SMITH: The amendment I mentioned was made in the other House.

Right Hon. Mr. GRAHAM: I am now told that at the request of the Attorney General of Quebec this Bill has been amended in accordance with the point I am making, and the words "if any" have been stricken out.

Hon. Mr. WILLOUGHBY: An amendment to section 4 has just come to me. The section as amended reads:

Nothing in this Act contained shall be deemed to affect any rights that may be vested in the Province of Quebec over or in respect of the use of the waters of the River St. Lawrence for the development of hydro-electric power.

Right Hon. Mr. GRAHAM: Evidently members of the other House saw the light while they were going through this Bill.

Hon. Mr. WILLOUGHBY: The right honourable gentleman's light shone over in the darkness.

Right Hon. Mr. GRAHAM: I am informed that the Attorney General of the Province of Quebec has taken the same stand as I have with reference to this Bill. My honourable friend says that the words "New Welland Canal" have been amended to read "Welland Ship Canal." That is another change that I was going to suggest. Most people refer to the "Welland Canal," but there are the New Welland Canal, the Old Welland Canal and the Welland Ship Canal. The New Welland Canal is the legal name of the canal that is being superseded by the Welland Ship Canal. We are not discussing the New Welland Canal now.

Section 1 of Bill 144 provides:

The canal now being constructed by the Beauharnois Light, Heat and Power Company, Limited, a body corporate, incorporated under the laws of the province of Quebec, between Lake St. Francis and Lake St. Louis, on the south side of, or in or along the St. Lawrence River, and the works on lands or lands covered with water, excavations, embankments, retaining structures, remedial works, dams, locks and other works appurtenant to said canal, now executed or hereafter to be executed, are hereby declared to be works for the general advantage of Canada.

The words "the works on lands or lands covered with water" seem to me to leave it open to the suggestion that the Government is seeking to expropriate land that, according to the Privy Council, belongs to the Province of Quebec. This is one of my reasons for declaring that the foundation is being laid for a big row with that province, which strongly adheres to the principle of private ownership. By declaring certain works to be for the general advantage of Canada we cannot make them publicly owned. Any railway may be declared to be a work for the general advantage of Canada. It is under the jurisdiction of the Board of Railway Commissioners, and subject to federal legislation, but still it may be a private enterprise. It seems to me that according to section 1 of Bill 144 it may be said in Quebec that the Dominion Government is in favour of private enterprise, and in Ontario that it is in favour of public ownership. The Ontario press is taking the declaration that the works are "works for the general advantage of Canada" to indicate public ownership. In my opinion Quebec would be perfectly justified in contending that some of this proposed legislation is ultra vires of the Dominion Parliament.

Hon. Mr. ROBERTSON: I wonder whether my honourable friend has the correct amendments that have been made to Bill 143 in the other House?

Right Hon. Mr. GRAHAM: If the Bills we have been discussing are incorrect we may have been wasting time.

Hon. Mr. WILLOUGHBY: Amendments have been coming over since the other House met.

Hon. Mr. ROBERTSON: Information has been received indicating that section 2 of Bill 143 has been amended in another place to read:

The Beauharnois Light, Heat and Power Company, Limited, its successors or assigns, in so far as it may be within the competence of Parliament, is hereby granted the right to divert from Lake St. Francis up to but not exceeding 53,072 cubic second feet of water of the flow of the River St. Lawrence, to be returned to Lake St. Louis and to be used for the development of hydro-electric power between the two said points, in such manner, upon such terms and conditions and with such limitations and reservations as may be prescribed by Order of the Governor in Council.

And the first word of section 3, the word "no," is stricken out, as well as the words "shall be made by said company," and some words are added. That section now reads:

The Governor in Council shall not consent to any further or additional diversion by the said company of water of the River St. Lawrence except with the express approval of Parliament.

These amendments seem to be in accordance with my right honourable friend's suggestions.

Right Hon. Mr. GRAHAM: It is unfortunate that we did not have the Bills as amended. Evidently every point that I have taken has been recognized.

Hon. Mr. BELCOURT: Honourable members, I have no brief for the company, and am not concerned about it at all. It can look after its own rights. With regard to the rights of the Province of Quebec, I am not entirely of the same opinion as my right honourable friend (Right Hon. Mr. Graham). I do not think that section 3 of Bill 144 in any way affects the rights of the Province of Quebec in this undertaking. That section confers upon the Governor in Council the authority to acquire by purchase or otherwise such lands and works as may be deemed necessary. That is merely authority to acquire. The Bill declares the works to be for the general advantage of Canada. I suppose the Province of Quebec will be dealt with properly. The Governor in Council may be authorized to exercise certain powers, but that does not confer any right in the property. In the same way a company may be given authority to build a railway, but the company would not thereby acquire the title to lands; such title could be acquired only from the owners. I am not apprehensive that section 3 of Bill 144 will in any way affect the rights of the Province of Quebec. They will remain as they are. But I do think we ought to protect the rights of third parties who have had dealings with this company and may be concerned by the fact that the agreement between the company and the authorities at Ottawa will be cancelled by this legislation.

Right Hon. Mr. GRAHAM: As the Bill originally read, it raised the question whether Quebec had any rights.

Hon. Mr. ROBERTSON: It may be interesting for my honourable friend the senior member for Ottawa (Hon. Mr. Belcourt) to know that I heard it announced in the other House this afternoon that an eminent lawyer, who has been looking after the interests of the Quebec Government, assisted in the drafting of these two Bills. It is to be assumed that they are satisfactory to the Quebec Government, whose rights it is intended to preserve in their entirety.

Hon. Mr. BELCOURT: I have no apprehension in that regard.

Right Hon. Mr. GRAHAM: The Attorney General of Quebec asked for the amendment.

Hon. Mr. ROBERTSON: It might be further observed, by reference to the committee's report, that it very clearly indicates that the work is not to be interfered with any more than is absolutely necessary. It is to be carried on by the present company if they are able to finance it, or by such other financial arrangements as may be necessary, either by way of public ownership or by way of corporation ownership. I do not remember the exact words of the report, but they can be referred to. Further, it seems evident that the rights of the people who are carrying on the construction are to be preserved if they are able to do their part to complete it, and the committee seemed to make it abundantly clear by its recommendations that in any case the rights of investors who have purchased the bonds that have been sold are to be amply protected. This legislation was based on the committee's report, which was adopted in another place without division.

Right Hon. Mr. GRAHAM: I know I am out of order. We all are. I should infer that this may be government ownership or it may not be.

Hon. Mr. ROBERTSON: That is it.

Right Hon. Mr. GRAHAM: In Ontario they may rejoice that it is going to be public ownership, and in Quebec that it may not be

Hon. Mr. TODD: I may relieve the honourable gentleman's mind. I heard the Premier announce in another place yesterday that there would be no government ownership.

Hon. Mr. BELCOURT: Except with the consent of the Province of Quebec.

Hon. Mr. ROBERTSON: There would be no government ownership in Quebec unless Quebec consented.

Hon. Mr. TODD: No; there would be no government ownership in Quebec anyway.

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

Right Hon. Mr. GRAHAM: Make sure that that is the Bill as amended by the Commons. The rest of us have not a copy.

Hon. Mr. DANDURAND: We should like to see the Bill as it came from the Commons.

THIRD READING

Hon. Mr. WILLOUGHBY moved the third reading of the Bill, as amended by the House of Commons.

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

BEAUHARNOIS PROJECT BILL

FIRST READING

Bill 144, an Act to declare certain works of the Beauharnois Light, Heat and Power Company, Limited, to be for the general advantage of Canada.—Hon. Mr. Willoughby.

SECOND READING

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

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

THIRD READING

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

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

ADJOURNMENT

Hon. Mr. WILLOUGHBY: Honourable gentlemen, we have just heard that the other House has adjourned until Monday. I beg to move that when this House adjourns it do stand adjourned until Monday at 3 o'clock p.m.

The motion was agreed to.

The Senate adjourned until Monday, August 3, at 3 p.m.

THE SENATE

Monday, August 3, 1931.

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

Prayers and routine proceedings.

PROROGATION OF PARLIAMENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Hon. L. P. Duff, acting as Deputy of the Governor General, would proceed to the Senate Chamber this day at 4.30 p.m. for the purpose of proroguing the present session of Parliament.

Hon. G. D. ROBERTSON: Honourable members, there is nothing on the Order Paper. His Honour having announced that the Deputy of the Governor General will be here at about 4.30, I move that we adjourn until 4 o'clock, or during pleasure. By 4 o'clock the Supply Bill may have reached the Senate.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

Hon. Mr. ROBERTSON: Honourable members, it is expected that the Supply Bill will reach this House about 5 o'clock, or very shortly after. I have thought it well to call the members together to advise them to remain within the sound of the bell till 5 o'clock.

Hon. Mr. CASGRAIN: Adjourn during pleasure.

Hon. Mr. DANDURAND: The Bill may be over sooner.

Hon. Mr. ROBERTSON: It is doubtful.

Hon. Mr. DANDURAND: Half-past four was mentioned to me.

Hon. Mr. ROBERTSON: It is possible; but I have just come from the other House, and I thought I had made the nearest possible guess. At any rate, we can adjourn during pleasure and respond to the call of the bell.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

APPROPRIATION BILL NO. 5

FIRST READING

Bill 145, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st of March, 1932.

SECOND READING

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

Right Hon. G. P. GRAHAM: Honourable members, the Supply Bill is a matter almost wholly for the Commons. We in this House can express opinions on it, and on one occasion the Senate declared its right even to amend a Supply Bill, but such a Bill has never been amended to my knowledge. Speaking for myself, the only thing I want to say is that I am alarmed at the expenditure that Canada is undertaking, and particularly concerning a money Bill that has no limit. But that Bill is not before us; it has been passed. The Government takes full responsibility for the expenditure of all this money, and my only wish—I will go further and say my hope—is that it will be expended for the general advantage of Canada.

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

THIRD READING

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

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

The Senate adjourned during pleasure.

PROROGATION OF PARLIAMENT

The Right Honourable L. P. Duff, Deputy of the Governor General, having come and being seated on the Throne, and the House of Commons being come with their Speaker:

The following Bills were assented to, in His Majesty's name, by the Right Honourable the Deputy Governor General:

BILLS ASSENTED TO

An Act respecting The Kettle Valley Railway Company.

An Act respecting the Canadian Pacific Railway Company.

An Act respecting The Montreal and Atlantic Railway Company.

An Act to amend the Soldier Settlement Act.

An Act to amend the Prisons and Reformatories Act.

An Act to amend the Bankruptcy Act.

An Act to amend the Bankruptcy Act (Priority of Claims).

An Act to amend the Judges Act.

An Act to amend the Act incorporating the Board of Management of the Canadian District of the Evangelical Lutheran Joint Synod of Ohio and other States, and to change its name to the "Board of Management of the Canadian District of the American Lutheran Church".

An Act respecting The Railway Employees Casualty Insurance Company.

An Act respecting The Canadian Woodmen of the World.

An Act for the relief of Florence Marshall.

An Act for the relief of Gordon Aaron.

An Act for the relief of Rita Margaret Mary Longmore.

An Act for the relief of Carl Vohwinkel.

An Act for the relief of Ruth Rosenberg.

An Act for the relief of Lillian Freedman Guttman.

An Act for the relief of Barbara Wallace Barlow.

An Act for the relief of Ray Finkelstein.

An Act for the relief of Mary Ann Ventura.

An Act for the relief of Beatrice Marie Dumaresq.

An Act for the relief of William Henry Rees.

An Act for the relief of Emily Hughes Macculloch.

An Act to amend the Government Annuities Act.

An Act to authorize the raising, by way of loan, of certain sums of money for the Public Service.

An Act respecting the construction and maintenance of a bridge over the St. Lawrence river between the Island of Orléans and the coast of Beaupré, in the province of Quebec.

An Act to provide for a loan to The New Westminster Harbour Commissioners.

An Act to provide for a further loan to the Halifax Harbour Commissioners.

An Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

An Act to amend The Alberta Natural Resources Act.

An Act to amend The Saskatchewan Natural Resources Act.

An Act respecting Dominion Agricultural Credit Company, Limited.

An Act to amend the Trust Companies Act.

An Act to amend the Post Office Act.

An Act to amend the Interpretation Act.

An Act to amend the Companies Act.

An Act to amend the Consolidated Revenue and Audit Act.

An Act respecting the establishment of the Royal Canadian Mint.

An Act to amend the Income War Tax Act.

An Act to amend the Naturalization Act.

An Act respecting the Eastern Telephone and Telegraph Company.

An Act respecting a certain patent application of Emma E. Tait.

An Act to provide for the appointment of a Tariff Board.

An Act respecting The Wapiti Insurance Company.

An Act for the relief of Robert Ruff Martin.

An Act for the relief of Norah Kathleen Nevins Scott.

An Act for the relief of Albert Thompson Johnston.

An Act for the relief of Isabel Catherine Rohrer White.

An Act for the relief of Lily Adèle Caswell Dyson.

An Act for the relief of Thora Mary Balfry Walker.

An Act for the relief of Marjorie Kathleen Younger Cooper.

An Act for the relief of Frank Godsoe Wilson.

An Act respecting The St. Lawrence River Bridge Company.

An Act respecting the International Convention for the Safety of Life at Sea signed in London on the thirty-first day of May, 1929, and the International Convention respecting Load Lines signed in London on the fifth day of July, 1930.

An Act to amend the Canada Shipping Act.

An Act to amend the Root Vegetables Act.

An Act to amend the Pension Act.

An Act respecting a certain Trade Agreement between Canada and Australia.

An Act for the relief of Rebecca Jacobs Wiseblatt.

An Act for the relief of Ada Jane Woodhams Bush.

An Act for the relief of Marie Rose Agnès Bélanger Gauron.

An Act for the relief of Minnie Fagan Rabinovitch.

An Act for the relief of Annie Bick Barder.

An Act for the relief of Pearl Whelan.

An Act for the relief of Bruce Raymond Diamond.

An Act to remove the necessity of the re-election of Members of the House of Commons of Canada on acceptance of office.

An Act for the Promotion of Vocational Education in Canada.

An Act to amend The Canadian Red Cross Society Act.

An Act to amend the Customs Act.

An Act respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1931.

An Act respecting the Canadian National Railways and to authorize the guarantee by His Majesty of securities to be issued under the Canadian National Railways Financing Act, 1931.

An Act to provide for a further loan to the Three Rivers Harbour Commissioners.

An Act to amend The North Fraser Harbour Commissioners Act, 1913.

An Act respecting Wheat.

An Act to provide for a further loan to the Saint John Harbour Commissioners.

An Act to amend the Dairy Industry Act (increase of penalties).

An Act to amend the Special War Revenue Act.

An Act to amend the Customs Tariff.

An Act to amend the Old Age Pensions Act.

An Act to provide for a further loan to the Chicoutimi Harbour Commissioners.

An Act to amend the Criminal Code.

An Act to confer certain powers upon the Governor in Council in respect to unemployment and farm relief, and the maintenance of peace, order and good government in Canada.

An Act respecting the Beauharnois Light, Heat and Power Company, Limited.

An Act to declare certain works of the Beauharnois Light, Heat and Power Company, Limited, to be for the general advantage of Canada.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1932.

Hon. Mr. ROBERTSON.

SPEECH FROM THE THRONE

After which the Right Honourable the Deputy Governor General was pleased to close the Second Session of the Seventeenth Parliament of the Dominion of Canada with the following Speech:

Honourable Members of the Senate:

Members of the House of Commons:

I desire to thank you for the diligence and efficiency with which you have discharged your duties during the present session of Parliament.

The development of Canadian industry and agriculture has been further promoted through the measures you have enacted.

A Tariff Board has been created, one of the functions of which will be to aid in the stabilization of trade and the establishment of an equitable relationship between the costs of production and consumption.

The changes provided for in the system of government accounting will, it is believed, make for greater simplicity and more effective control over the finances of the country.

The measures granting assistance to the wheat producer, and for the distribution of coal will do much to assist those industries.

Among other important measures enacted were Bills respecting: Copyright; Canadian National Railway Company; Pensions; Soldiers Settlement; Consolidated Revenue and Audit; Vocational Education; The Royal Canadian Mint; Old Age Pensions.

Approval has been given the proposed measure of the Parliament of the United Kingdom to be known as the Statute of Westminster, and His Majesty The King has been humbly petitioned to cause it to be laid before that Parliament. Prior to such approval being given, delegates of my Government and of all the Provinces of Canada, at the invitation of my Prime Minister, met at Ottawa and approved for insertion in the proposed measure a clause defining the rights of the Dominion and Provinces in respect to its provisions.

The commercial agreement negotiated with the Commonwealth of Australia and ratified by Parliament will, I confidently believe, be of advantage to both our countries. This agreement manifests the desire of my Government to enter into similar trade agreements with other parts of the Empire.

The Imperial Economic Conference, adjourned last November to reassemble at Ottawa during the latter part of the current year, has been postponed because of circumstances which prevented the representation at the conference of all the dominions of the Empire. It is confidently believed that when this conference reassembles, an Empire trade agreement of advantage to all its parts may be consummated.

The Conversion Loan of 1931, through which there was reinvested in securities of the Dominion of Canada a sum of approximately six hundred and forty million dollars, affords striking proof of the confidence of the general public in the financial strength of the country.

As a result of the Parliamentary inquiry into the operations of the Beauharnois Power Corporations, measures have been enacted to secure the public interest against harmful exploitation of our natural resources and to safeguard the rights of bona fide investors.

Since you entered upon the duties of the session, the world-wide depression in economic conditions has grown more acute, and the consequent state of unemployment and distress in many parts of the country has been intensified through the partial failure of the wheat crop of Western Canada. To augment existing relief measures, the Governor in Council has been empowered to take the necessary action to provide the maximum of employment and to aid, by such means as may be deemed expedient, the recovery from the adverse conditions arising primarily from the crop failure.

The great powers of Europe and America, following the generous and constructive action of the President of the United States of America, which Canada whole-heartedly endorses, are unitedly striving for the re-establishment of better world conditions. Towards this purpose we may now effectively contribute, by steadfastly bending ourselves to the task of freeing Canada from the consequences of this universal state of economic depression and of the particular misfortune which has befallen the West; so that this country may be ready to take its place in the forefront of the world's recovery.

Members of the House of Commons:

I thank you for the provision you have made for the public service.

Honourable Members of the Senate:

Members of the House of Commons:

I join with you in sympathy for those upon whom the present conditions bear most heavily. As our burden is less than that of other countries, so have we, as a Nation, the greater duty to aid the unfortunate among our citizens. I commend your zeal for the common good. It is the crowning proof of the unassailable unity of the Canadian people. These troubled times will pass, for adversity is powerless against the will of Canada to regain the happiness and prosperity which are its birthright. May Divine Providence bless and guide you in all your labours.

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