DEBATES

OF

THE SENATE

OF THE

DOMINION OF CANADA

1926

OFFICIAL REPORT

Editor: ALBERT HORTON

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FIRST SESSION—FIFTEENTH PARLIAMENT—16-17 GEORGE V

OTTAWA
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PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1926

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SENATORS OF CANADA

ACCORDING TO SENIORITY

JULY 2, 1926

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

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

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
NATHANIEL CURRY	Amherst	Amherst, N.S.
WILLIAM B. ROSS	Middleton	Middleton, 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.
HENRY W. LAIRD	Regina	Regina, Sask.
ALBERT E. PLANTA	Nanaimo	Nanaimo, B.C.
RICHARD BLAIN	Peel	Brampton, Ont.
JOHN HENRY FISHER	Brant	Paris, Ont.
LENDRUM MCMEANS	Winnipeg	Winnipeg, Man.
DAVID OVIDE L'ESPÉRANCE	Gulf	Quebec, Que.
GEORGE GREEN FOSTER	Alma	Montreal, Que.
RICHARD SMEATON WHITE	Inkerman	Montreal, Que.
AIMÉ BÉNARD	St. Boniface	Winnipeg, Man.
GEORGE HENRY BARNARD	Victoria	Victoria, B.C.
WELLINGTON B. WILLOUGHBY	Moose Jaw	Moose Jaw, Sask.
JAMES DAVIS TAYLOR	New Westminster	New Westminster, B.C.
FREDERICK L. SCHAFFNER	Boissevain	Boissevain, Man.
EDWARD MICHENER	Red Deer	Red Deer, Alta.
WILLIAM JAMES HARMER	Edmonton	Edmonton, Alta.
IRVING R. TODD	Charlotte	Milltown, N. B.
JOHN WEBSTER	Brockville	Brockville, Ont.
ROBERT A. MULHOLLAND	Port Hope	Port Hope, Ont.
PIERRE EDOUARD BLONDIN, P.C.	The Laurentides	Montreal, Que.
JOHN G. TURRIFF	Assiniboia	Ottawa, Ont.
GERALD VERNER WHITE	Pembroke	Pembroke, Ont.
THOMAS CHAPAIS	Grandville	Quebec, Que.
LORNE C. WEBSTER	Stadacona	Montreal, Que.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS
The Honourable		
JOHN STANFIELD	Colchester	Truro, N.S.
JOHN ANTHONY MCDONALD	Shediac	Shediac, N.B.
WILLIAM A. GRIESBACH, C.B., C.M.G., etc.	Edmonton	Edmonton, Alta.
JOHN MCCORMICK	Sydney Mines	Sydney Mines, N.S.
Rt. HON. SIR GEORGE E. FOSTER, P.C., G.C.M.G.	Ottawa	Ottawa, Ont.
JOHN D. REID, P.C.	Grenville	Prescott, Ont.
JAMES A. CALDER, P.C	Saltcoats	Regina, Sask.
ROBERT F. GREEN	Kootenay	Victoria, B.C.
ARCHIBALD B. GILLIS	Saskatchewan	Whitewood, Sask.
SIR EDWARD KEMP, P.C., K.C.M.G.	Toronto	Toronto, Ont.
ARCHIBALD H. MACDONELL, C.M.G.	South Toronto	Toronto, Ont.
FRANK B. BLACK	Westmoreland	Sackville, N.B.
SANFORD J. CROWE	Burrard	Vancouver, B.C.
PETER MARTIN	Halifax	Halifax, N.S.
ARCHIBALD BLAKE MCCOIG	Kent (O.)	Chatham, Ont.
ARTHUR C. HARDY	Leeds	Brockville, Ont.
FREDERICK F. PARDEE	Lambton	Sarnia, Ont.
GUSTAVE BOYER	Rigaud	Rigaud, Que.
ONÉSIPHORE TURGEON	Gloucester	Bathurst, N.B.
SIR ALLEN BRISIOL AYLESWORTH, P.C., K.C.M.G.	North York	Toronto, Ont.
ANDREW HAYDON	Lanark	Ottawa, Ont.
CLIFFORD W. ROBINSON	Moncton	Moncton, N.B.
JAMES JOSEPH HUGHES	King's	Souris, P.E.I.
CREELMAN MACARTHUR	Prince	Summerside, P.E.I.
JACQUES BUREAU, P.C.	La Salle	Three Rivers, Que.
HENRI SEVERIN BÉLAND, P.C.	Lauzon	Ottawa, Ont.
JOHN LEWIS	East Toronto	Toronto, Ont.
CHARLES MURPHY, P.C.	Russell	Ottawa, Ont.
WILLIAM ASHBURY BUCHANAN	Lethbridge	Lethbridge, Alta.
PROSPER EDMOND LESSARD	St. Paul	Edmonton, Alta.
JAMES PALMER RANKIN	Perth, N.	Stratford, Ont.
ARTHUR BLISS COPP, P.C.	Westmoreland	Sackville, N.B.
JOHN PATRICK MOLLOY	Provencher	Morris, Man.

SENATORS OF CANADA

ALPHABETICAL LIST

JULY 2, 1926

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
AYLESWORTH, SIR ALLEN, P.C., K.C.M.G....	North York.....	Toronto, Ont.
BARNARD, G. H.....	Victoria.....	Victoria, B.C.
BEAUBIEN, C. P.....	Montarville.....	Montreal, Que.
BÉIQUE, F. L., P.C.....	De Salaberry.....	Montreal, Que.
BÉLAND, H. S., P.C.....	Lauzon.....	Ottawa, Ont.
BELCOURT, N. A., P.C.....	Ottawa.....	Ottawa, Ont.
BÉNARD, A.....	St. Boniface.....	Winnipeg, Man.
BLACK, F. B.....	Westmoreland.....	Sackville, N.B.
BLAIN, R.....	Peel.....	Brampton, Ont.
BLONDIN, P. E., P.C.....	The Laurentides.....	Montreal, Que.
BOSTOCK, H., P.C. (Speaker).....	Kamloops.....	Monte Creek, B.C.
BOURQUE, T. J.....	Richibucto.....	Richibucto, N.B.
BOYER, G.....	Rigaud.....	Rigaud, Que.
BUCHANAN, W. A.....	Lethbridge.....	Lethbridge, Alta.
BUREAU, J., P.C.....	La Salle	Three Rivers, Que.
CALDER, J. A., P.C.....	Saltcoats.....	Regina, Sask.
CASGRAIN, J. P. B.....	De Lanaudière.....	Montreal, Que.
CHAPAIS, T.....	Grandville.....	Quebec, Que.
CLORAN, H. J.....	Victoria.....	Montreal, Que.
COPP, A. B., P.C.....	Westmoreland.....	Sackville, N.B.
CROWE, S. J.....	Burrard.....	Vancouver, B.C.
CURRY, N.....	Amherst.....	Amherst, N.S.
DANDURAND, R., P.C.....	De Lorimier.....	Montreal, Que.
DANIEL, J. W.....	St. John.....	St. John, N.B.
DAVID, L. O.....	Mille Iles.....	Montreal, Que.
DESSAULLES, G. C.	Rougemont.....	St. Hyacinthe, Que.
DONNELLY, J. J.....	South Bruce.....	Pinkerton, Ont.
FARRELL, E. M.....	Liverpool.....	Liverpool, N.S.

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

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
PARDEE, F. F.	Lambton	Sarnia, Ont.
PLANTA, A. E.	Nanaimo	Nanaimo, B.C.
POIRIER, P.	Acadie	Shediac, N.B.
POPE, R. H.	Bedford	Cookshire, Que.
PROWSE, B. C.	Charlottetown	Charlottetown, P.E.I.
RANKIN, J. P.	Perth, N.	Stratford, Ont.
REID, J. D., P.C.	Grenville	Prescott, Ont.
ROBERTSON, G. D., P.C.	Welland	Welland, Ont.
ROBINSON, C. W.	Moncton	Moncton. N.B.
ROSS, J. H.	Moose Jaw	Moose Jaw, Sask.
ROSS, W. B.	Middleton	Middleton, N.S.
SCHAFFNER, F. L.	Boissevain	Boissevain, Man.
SHARPE, W. H.	Manitou	Manitou, Man.
SMITH, E. D.	Wentworth	Winona, Ont.
STANFIELD, J.	Colchester	Truro, N.S.
TANNER, C. E.	Pictou	Pictou, N.S.
TAYLOR, J. D.	New Westminster	New Westminster, B.C.
TESSIER, JULES	De la Durantaye	Quebec, Que.
THIBAUDEAU, A. A.	De la Vallière	Montreal, Que.
TODD, I. R.	Charlotte	Milltown, N.B.
TURGEON, O.	Gloucester	Bathurst, N.B.
TURRIFF, J. G.	Assiniboia	Ottawa, Ont.
WATSON, R.	Portage la Prairie	Portage la Prairie, Man
WEBSTER, J.	Brockville	Brockville, Ont.
WEBSTER, L. C.	Stadacona	Montreal, Que.
WHITE, R. S.	Inkerman	Montreal, Que.
WHITE, G. V.	Pembroke	Pembroke, Ont.
WILLOUGHBY, W. B.	Moose Jaw	Moose Jaw, Sask.
WILSON, J. M.	Saurel	Montreal, Que.

SENATORS OF CANADA

BY PROVINCES

JULY 2, 1926

ONTARIO—24

	SENATORS.	POST OFFICE ADDRESS.
	The Honourable	
1	GEORGE MCHUGH	Lindsay.
2	NAPOLÉON A. BELCOURT, P.C.	Ottawa.
3	GEORGE GORDON	North Bay.
4	ERNEST D. SMITH	Winona.
5	JAMES J. DONNELLY	Pinkerton
6	GEORGE LYNCH-STAUNTON	Hamilton.
7	GIDEON D. ROBERTSON, P.C.	Welland.
8	RICHARD BLAIN	Brampton.
9	JOHN HENRY FISHER	Paris.
10	JOHN WEBSTER	Brockville.
11	ROBERT A. MULHOLLAND	Port Hope.
12	GERALD VERNER WHITE	Pembroke.
13	JOHN D. REID, P.C.	Prescott.
14	RT. HON. SIR GEO. E. FOSTER, P.C., G.C.M.G.	Ottawa.
15	SIR EDWARD KEMP, P.C., K.C.M.G.	Toronto.
16	ARCHIBALD H. MACDONELL, C.M.G., etc.	Toronto.
17	ARCHIBALD BLAKE MCCOIG	Chatham.
18	ARTHUR C. HARDY	Brockville.
19	FREDERICK F. PARDEE	Sarnia.
20	SIR ALLEN BRISTOL AYLESWORTH, P.C., K.C.M.G.	Toronto.
21	ANDREW HAYDON	Ottawa.
22	CHARLES MURPHY, P.C.	Ottawa.
23	JOHN LEWIS	Toronto.
24	JAMES PALMER RANKIN	Stratford.

QUEBEC—24

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

NOVA SCOTIA—10

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

NEW BRUNSWICK—10

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

PRINCE EDWARD ISLAND—4

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

BRITISH COLUMBIA—6

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

MANITOBA—6

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

SASKATCHEWAN—6

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

ALBERTA—6

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

The Debates of the Senate

OFFICIAL REPORT

THE SENATE

Thursday, January 7, 1926.

The Fifteenth Parliament having been summoned by Proclamation of the Governor General to meet this day in its First Session for the despatch of business.

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

OPENING OF THE SESSION

The Hon. the SPEAKER informed the Senate that he had received a communication from the Governor General's Secretary informing him that the Chief Justice of Canada, in his capacity of Deputy Governor General, would proceed to the Senate Chamber to open the Session of the Dominion Parliament, on Thursday, the 7th of January, at 3 o'clock.

APPOINTMENT OF BLACK ROD

The Hon. the SPEAKER informed the Senate that he had received a certified copy of an Order in Council showing that Major Andrew Ruthven Thompson had been appointed Gentleman Usher of the Black Rod.

NEW SENATORS INTRODUCED

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

Hon. Charles Murphy, P.C., K.C., of Ottawa, Ontario, introduced by Hon. R. Dandurand and Hon. Andrew Haydon.

Hon. Henri Severin Béland, P.C., M.D., of St. Joseph de Beauce, Quebec, introduced by Hon. R. Dandurand and Hon. Jules Tessier.

Hon. Jacques Bureau, P.C., K.C., of Three Rivers, Quebec, introduced by Hon. R. Dandurand and Hon. N. A. Belcourt.

Hon. Arthur Bliss Copp, P.C., of Sackville, New Brunswick, introduced by Hon. R. Dandurand and Hon. C. W. Robinson.

The Senate adjourned during pleasure.

OPENING OF THE SESSION

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

The Hon. the SPEAKER commanded the Gentleman Usher of the Black Rod to proceed to the House of Commons and acquaint that House that: "It is the Right Honourable the Deputy Governor's desire that they attend him immediately in the Senate Chamber."

Who being come,

The Hon. the SPEAKER said:

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

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

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

The sitting was resumed.

NEW SENATORS INTRODUCED

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

Hon. James Joseph Hughes, of Souris, Prince Edward Island, introduced by Hon. R. Dandurand and Hon. Robert Watson.

Hon. William Ashbury Buchanan, of Lethbridge, Alberta, introduced by Hon. R. Dandurand and Hon. James H. Ross.

Hon. Creelman MacArthur, of Summerside, Prince Edward Island, introduced by Hon. R. Dandurand and Hon. Benjamin C. Prowse.

Hon. Prosper Edmond Lessard, of Edmonton, Alberta, introduced by Hon. R. Dandurand and Hon. W. J. Harmer.

Hon. John Lewis, of Toronto, Ontario, introduced by Hon. R. Dandurand and Hon. Andrew Haydon.

Hon. James Palmer Rankin, of Stratford, Ontario, introduced by Hon. R. Dandurand and Hon. R. Watson.

Hon. John Patrick Molloy, M.D., of Morris, Manitoba, introduced by Hon. R. Dandurand and Hon. R. Watson.

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

THE SENATE

Friday, January 8, 1926.

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

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

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

Honourable Gentlemen of the Senate:

Members of the House of Commons:

It gives me pleasure to welcome you to your important duties in this first session of the fifteenth Parliament of Canada.

Since our last meeting, the Empire has been called on to lament the demise of Queen Alexandra. In our Dominion the memory of the late Queen will ever be held in affectionate remembrance. At the earliest opportunity a resolution will be submitted to you expressing the deep sympathy of the Parliament and people of Canada with His Majesty the King and other members of the Royal Family in their bereavement.

Canada has been signally honoured by the selection of a member of its Government as President of the sixth assembly of the League of Nations.

I congratulate you on the growing prosperity of this favoured land. The products of our agricultural and other basic industries have greatly increased. Our export trade shows remarkable expansion. Our manufacturing and related industries throughout the Dominion have experienced a development not enjoyed in many years. Further evidence of industrial progress is reflected in the greatly improved earnings of the railways.

This increased prosperity and advancement have been aided by the policies of the Government and the reductions in expenditures and taxation made from time to time. In the opinion of my Ministers the improved conditions warrant further substantial reductions in taxation.

Hon. Mr. SPEAKER.

Every effort will be made further to reduce expenditures. To aid in the reduction of expenditures in administration certain of the departments of the public service will be consolidated with others and government services more effectively co-ordinated.

Our revenue is derived partly from taxes made necessary by the war and partly from other sources. In order that the people of the Dominion may have an exact knowledge of the sources of their revenue and the objects of its expenditure simplified forms of account will be issued periodically.

With the improvement of conditions throughout the country the Government have formulated and put into operation a comprehensive immigration plan. My Ministers desire it to be known that the Dominion welcomes settlers of the classes which can be absorbed into our population. Regulations have been simplified, transportation rates greatly reduced, and the care of settlers to destination and during early settlement given every attention. Measures will be taken to further the retention on the land of our existing agricultural population, to encourage the return to rural parts of urban dwellers possessed of agricultural experience, and the repatriation of Canadians now living in other countries. Special arrangements will be proposed for settlement on Crown Lands.

An agreement has been made between the Government and the railroad companies providing a larger measure of co-operation in immigration activities in the British Isles and on the continent of Europe. An agreement entered into with the British Government has already been instrumental in stimulating immigration from Great Britain.

While it is of importance to attract new settlers it is equally, if not more important, to assist those who are already established on the land by reducing the cost of agricultural production. To this end a measure will be introduced offering wide facilities for rural credits.

My Ministers are of the opinion that a general increase in the Customs Tariff would prove detrimental to the country's continued prosperity and prejudicial to national unity. In their view the incidence of this form of taxation should bear as lightly as possible upon the necessaries of life and on agriculture and other primary industries. They believe that in the interest of industrial development every effort should be made to eliminate the element of uncertainty with respect to tariff changes; that changes in the tariff should be made only after the fullest examination of their bearing upon both primary and manufacturing industries and that representations requesting increase or decrease of duties should be made the subject of the most careful investigation and report by a body possessing the necessary qualifications to advise the Ministry with respect thereto. A Tariff Advisory Board will accordingly be appointed forthwith. This Board will be expected to make a careful study of the Customs Tariff, the revenue to be derived therefrom and

the effect of the tariff and allied factors on industry and agriculture.

While recognizing the importance of the Canadian home market, the great value of markets in other countries for our natural and manufactured products must also be considered. In particular our trade within the Empire should be encouraged by all means consistent with our national welfare. In this connection a trade agreement entered into with the British West Indies, Bermuda, British Guiana and British Honduras will be submitted for your approval.

In pursuance of the fixed policy of the Government to encourage the movement of grain and other Canadian products through Canadian ports, the Board of Railway Commissioners has been instructed to include in the General Rate investigation now in progress, a special inquiry into the causes of diversion of Canadian grain and other products through other than Canadian ports, and to take such action under the Railway Act as it may deem efficient to ensure as far as possible the utilization of Canadian ports for Canadian traffic.

My Government propose to submit provisions for the completion forthwith of the Hudson Bay Railway.

With a view to affording such remedies as may appear to be practical and appropriate, the Government also propose to appoint a Royal Commission to inquire fully into the claims that the rights of the Maritime Provinces in regard to the operation of the Intercolonial Railway have not been observed, and that in regard to transportation, immigration, and other economic factors these provinces have suffered prejudicially, in their position under Confederation.

Your attention will be invited, among other measures, to a Bill to provide for the transfer to the Province of Alberta of its natural resources, and to a bill amending the Dominion Elections Act.

Members of the House of Commons:

The accounts of the last fiscal year and the estimates for the coming year will be submitted for your consideration.

Honourable Gentlemen of the Senate:

Members of the House of Commons:

In the policies and measures I have outlined, a sincere effort has been made to take into account the diversified conditions and interests of our Dominion in a manner which will promote mutual understanding and closer co-operation between all parts. It is believed that these measures which, taken together, form a co-ordinated plan of national progress, will ensure our common aim of a prosperous and united Canada.

In their consideration and in other of your public duties may Divine Providence guide and bless your deliberations.

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

The sitting of the Senate was resumed.

Prayers.

14015—1½

RAILWAY BILL

FIRST READING

Bill 1, an Act respecting railways.—Hon. Mr. Dandurand.

CONSIDERATION OF HIS EXCELLENCY'S SPEECH

On motion of Hon. Mr. Dandurand, it was ordered, that the Speech of His Excellency the Governor General be taken into consideration on Tuesday, January 12.

STAFF OF THE SENATE

VACANCIES

The Hon. the SPEAKER informed the Senate that he had received a communication from the Clerk of the Senate stating that owing to the death of Mr. J. C. Young and Mr. Siméon Lelièvre, First Clerk Assistant and Second Clerk Assistant, vacancies had occurred on the Senate staff.

COMMITTEE ON ORDERS AND PRIVILEGES

Hon. Mr. DANDURAND moved:

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

The motion was agreed to.

COMMITTEE ON SELECTION

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

The Senate adjourned until Tuesday, January 12, at 3 p.m.

THE SENATE

Tuesday, January 12, 1926.

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

Prayers and routine proceedings.

THE GOVERNOR GENERAL'S SPEECH

CONSIDERATION POSTPONED

On the Order of the Day:

Consideration of His Excellency the Governor General's Speech on the opening of the First Session of the Fifteenth Parliament.—Hon. Mr. Lewis.

Hon. Mr. DANDURAND: Honourable gentlemen, we have on our Order Paper but one item, the consideration of His Excellency the Governor General's Speech on the opening of the First Session of the Fifteenth Parliament. In order that the Senate may discuss the Speech in a serene atmosphere and with a mind free from preoccupation, I would suggest that this Order be postponed until Thursday or Friday of this week. If this proposal is agreeable to the Senate I would suggest that my honourable friend who was to move the Address (Hon. Mr. Lewis) move that the Order be discharged and be placed on the Orders of the Day for Thursday next.

Hon. W. B. ROSS: The suggestion of my honourable friend quite meets with my approval. The only question I would raise would be as to whether it should be Thursday or Friday; but it is not worth while altering the motion.

Hon. Mr. DANDURAND: When we come to it, we may decide whether we will take it up on Thursday or on Friday.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I am a little curious to know the reasons for this. My honourable friend has simply made the proposition to defer the consideration of this item until another day. It is an unusual course. My honourable friend must have reasons for making his suggestion. Perhaps he would inform us what they are.

Hon. Mr. DANDURAND: I do not know that I can do so in better words than I have used, though I am sure it could be done in better English. My suggestion is made in order that we may take up the consideration of the Speech with minds free from any preoccupation, and discuss it on its merits. I feel that we should endeavour to maintain the serenity of this Chamber and approach all matters in a judicial frame of mind; and with that end in view I think that my suggestion is opportune. I leave my right honourable friend's imagination to add to the reasons which I give.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend has of course larger opportunities than I have of becoming acquainted with the atmosphere of the Senate at this particular time. For my own part I have not seen any seething excitement on either side of the House. However, I am willing to defer to my honourable friend's opinion, and to take his advice for the present if he thinks we have reached such a boiling point that we are not in a position to approach this matter now with calm consideration.

On motion of Hon. Mr. Lewis, the Order of the Day was discharged, and set down for Thursday next.

TRIBUTES TO DECEASED SENATORS AND OFFICIALS

THE LATE HON. SIR JAMES LOUGHEED, HON. WM. ROCHE, HON. GEO. H. BRADBURY, HON. L. G. DE VEBER

Hon. Mr. DANDURAND: Honourable gentlemen, I take the first opportunity which offers to express our sorrow at the sudden departure from this life of the late Sir James Lougheed, who during twenty years played a leading role in this Chamber. Sir James's life is an object lesson to the rising generation. In the full sense of the term he was a self-made man.

In his early teens he began life seriously, preparing for the carpentry trade, a trade which requires intelligence and which affords scope for artistic values. At the same time, being anxious to learn, he attended regularly the Sunday school classes of the Hon. Samuel Blake. That honourable gentleman, recognizing his ability and his desire to learn, and seeing in him talents which would fit him for professional life, suggested that he should prepare himself for a higher station in society. This advice did not fall upon unproductive soil. Young Lougheed decided to make an effort to advance himself by studying the classics, he devoted all his spare time to self-improvement, and the moment came when he entered upon the study of law.

After very hard work he was admitted to the Bar. He did not practise his profession to any extent in his home city of Toronto. At that time the Canadian Pacific railway was forging ahead on the plains of the West, and he obtained a letter of introduction to the Chief Engineer of that railway, a gentleman whose name is familiar to us all, now Sir Herbert Holt, who at that time was located at Medicine Hat. With that letter of recommendation Lougheed went to Medicine Hat, where he was received by the then Mr. Holt and placed in one of the offices of the company. The road, which was still under the construction department, had then advanced beyond Medicine Hat, at that time the jumping-off point. Sir James, as we knew him, did not remain there, but within twelve months reached the place which was to be and which now is the city of Calgary, and there, I understand, he lived under canvas for the first month.

It was soon found that Calgary would be a divisional point of importance, and people

flocked in that direction. One of the first legal difficulties of some importance that arose was confided to his care, and he once told me of the difficulty of organizing a court. He won his first case. From the beginning he took an interest in real estate, and applied himself to its development. From being a real estate owner he became a builder. He grew with Calgary, and helped Calgary to grow. He built one of the first substantial buildings in that city. He engaged in the insurance business and the brokerage business. He took part in every activity. There was nothing that escaped his attention. And yet all the time he was successfully pursuing his vocation as an attorney. He arrested the attention of the community to such a degree that when hardly five years had passed, a vacancy occurring in the Senate, he was offered a Senatorship and came here in 1889. He was one of the real leaders of the West and practically one of the founders of the city of Calgary.

I met Sir James Lougheed in this Chamber in 1898. At that time he was dividing his attention between his various interests in Calgary and the work of the Senate, which was no mean task, the distance between the two points being so great. During the first years of his occupancy of a seat in this Chamber he rather modestly sat at the feet of the elders and imbibed their wisdom. Those elders were men of no mean consequence. Many of them held their nominations under Royal appointment; they were pre-Confederation men, men who had a wide reputation and who adorned this Chamber to the full. Although only modestly participating during his first years here in the work of the Senate, Sir James Lougheed early attracted the attention of his fellow members, and it was no surprise to me in 1906 when he was given the leadership of the Conservative Party in this House.

When called to that important post he applied himself to his task and discharged his duties brilliantly. He was courteous, he was genial, he was resourceful—perfectly equipped legally and mentally. He had considerable commercial and financial experience; he knew the West as few men knew it, and he rapidly gained not only the confidence of his colleagues in this Chamber, but their admiration and friendship as well. In every position that he held in the Government of Canada he was equal to the task, and he was often mentioned as a man of proper calibre for the Premiership of the country.

To Lady Lougheed and his family we tender our most heartfelt sympathy.

Turning from the West to the East I find a vacancy in our Chamber caused by the demise of the late Hon. Mr. Roche of Halifax. Senator Roche was a successful man of business. He was for forty years in public life, having sat for many terms in the Legislative Assembly of Nova Scotia and in the House of Commons, and he enjoyed the full confidence of his community. He was well read, he was an original thinker, and I should add a philosopher as well. Those who heard Senator Roche in any debate always felt that he would say something that had not been said, and that his views would be expressed in a very original manner. He was indeed a true philosopher, looking upon affairs with a certain equanimity and a certain detachment, and I am sure that the Senate of Canada will miss our colleague, who departed at a fairly ripe age.

Returning to the centre of the country, we have been faced by another vacancy caused by the departure of the Hon. Mr. Bradbury. As one of the pioneers in the lumbering trade of Manitoba, he brought to the Senate large business experience. He interested himself also in military affairs, showing his zeal by raising a regiment in the very first months of the war. He crossed the Atlantic in perfect health, and though he did not see active duty at the front, yet while preparing to go, and when in France and Flanders, he was stricken down with a disease which gradually sapped his vitality and closed his career a few months ago.

In my short contact with Senator Bradbury he showed himself to be a public-spirited citizen, deeply interested in the welfare of Canada, especially in trying to arrange our financial difficulties so that with their proper adjustment this country should go forward towards prosperity.

I would refer also to the death of Senator De Veber, of Lethbridge, who was among us for a number of years, and who spoke with authority on matters hygienic and medical. He took considerable part in discussing, framing and modifying legislation on those topics with which he was familiar. He had quite an honourable career in the Northwest Assembly, of which he was a member when he was called to the Senate. In his latter years he was in poor health, and new-comers in this Chamber did not see him at his best, but when he was well he did his part thoroughly and to the satisfaction of his colleagues. To his dutiful wife, who, ever since his appointment accompanied him here session after session, we extend our sincere sympathy.

To the family of Senator Roche and to that of Senator Bradbury we also extend our most sincere sympathy. Not only will these departed colleagues be missed by their families and their provinces, but I am sure the Senate will also miss their presence among us.

Hon. W. B. ROSS: Honourable gentlemen, I wish to join with my honourable friend on the other side in extending the sympathies of this Chamber to the wives and families of the members who so lately were with us, but are now with us no more.

In all that the honourable gentleman has said with regard to Sir James Lougheed he has not overstated the facts concerning that honourable leader. As he has referred to Sir James's early life and his business career in the West, it is not necessary that I should dwell upon those points; but on one or two phases with regard to Sir James I would like to say a few words.

I had no acquaintance with Sir James Lougheed until I became a member of this House, but for thirteen years I was on terms of intimate acquaintance, and I think I may say friendship, with him. During the whole of that period there never arose anything to interfere with our friendship. He was an excellent companion, owing to the fact that he had a very active mind. In all the years during which I was thrown very often in his company I never spent a dull five minutes: it did not matter where one was going, or what one was doing. If travelling in the cars through the country, and interested in the landscape, Sir James Lougheed was also interested in the scenery, the farms, and everything that was going on. He took great interest in railways, and there was no subject that could be mentioned on which he did not know at least something, and on many he was thoroughly well informed. I cannot imagine a greater benefit in the way of friendship that any man could enjoy than was my privilege in the friendship of Sir James Lougheed; and I never left his presence without feeling that I had learned something, or understood better the questions that I discussed with him. He was very helpful to me when I was trying to understand the ways of the constitution, and the methods of this House.

I should like to mention one point which I think was unique in the life of Sir James Lougheed, and which I have not yet heard mentioned. During the thirteen years of our acquaintance a great many men have come and gone from both sides of this House, but I say without reservation, after having talked to at least 90 per cent of the members of this House, that I never heard a man on either side of this Chamber who did not say that he liked Sir James Lougheed. That is a remarkable tribute to him, for this House has 96 members, and we might expect, as one of the most natural things in the world, that there would be some man who had a minor grievance, if not a major dislike. I never saw any trace of such.

I think the honourable gentlemen on the other side of the House will join me in saying that they admired Sir James Lougheed—his manner and his character, and the way in which he conducted the business of this House—practically as much as did the members sitting behind me.

There is another aspect of Sir James Lougheed's life on which we must look. Part of his life was passed during a critical period, when the fate of this Empire was at stake, and when he was one of the pillars of this country, one of the wise men who were trying to direct the country's affairs to a successful issue. Although I was not in the Cabinet, I was on Committees, and had opportunities to observe that there was no wiser head and no firmer will than the head and the will of Sir James Lougheed. His assistance to the Government of the day was of the very highest importance. The work that he did was well done in the service of his country. The more we investigate his life the more largely he figures in shaping the legislation of this country. I know, as a matter of fact, that his judgment on railway and tariff matters, and other questions of prime importance to the country very often prevailed. His name and work will occupy an important place in the legislative history of this country, as those who hereafter go through the records will find.

Coming to the leadership of Sir James Lougheed in this House, it would possibly be superfluous for me to say that he was a model leader. The feeling of attachment which was general on both sides of this House did not arise because Sir James Lougheed was a milksop, or because he gave every man what he wanted. Indeed, on the contrary, it was because he had a mind of his own, that was naturally predisposed to be fair, and to give every man a hearing, and not to press too far his powers as leader. He has said to me, and I have heard him say to other members of this House: "I would like your support on this question, but if after threshing it out you conscientiously think that you cannot support it, then you may vote against it." He secured the maximum of support from his followers, and retained their goodwill, and I cannot imagine a more adroit,

more honest, honourable, wise and kind leader than Sir James Lougheed was.

So I wish to associate myself, and I think the members of the party behind me will also join, with the honourable member in extending our sincere sympathy and goodwill to the widow and family of Sir James Lougheed, a man whose name will live as long as the Senate exists.

Leaving this subject, which is a very trying one to me, I wish to refer to the death of our former member, Hon. Mr. Bradbury. I know that he was zealous in doing good work in the Senate, and I can say without reserve, having on several occasions worked with him, that I found him very jealous for the honour and usefulness of this House, so that what the Senate did should be for the benefit of the country.

Referring to the late Senator Roche, he was an old client of mine, and we travelled probably 150 miles by buckboard along the South Shore of Nova Scotia when we were bringing good Grits to the poll. After our long acquaintance, I can endorse what the honourable gentleman opposite has said, that Senator Roche had a philosophic cast of mind—and he sometimes hit the mark, too. He was a successful politician, and also a successful business man, and I know there are families in Halifax to-day who will miss him. He was a coal merchant, and he never forgot the poor during the cold winters, though he spoke little about this. I liked to hear Senator Roche address this House, and I think his last speech was one of the best I ever heard him deliver. I have looked over it more than once in order to gain some knowledge, for he was speaking on a subject that he thoroughly understood. He had been more or less engaged in the shipping trade all his life, and when some member from the interior of Canada undertook to tell him about ocean freight, Senator Roche was able to tell that honourable gentleman just exactly how much and how little he knew about the subject.

I heartily join with the honourable gentleman opposite in extending our sincerest sympathy to the family of the late Senator Roche.

Hon. Mr. DANDURAND: May I refer also to the demise of two faithful servants of the Senate who were sitting in our midst last Session. The last person who spoke in this House before prorogation was, I believe, Mr. Siméon Lelièvre, one of the Assistant Clerks. In various posts he had been in the service of the country for forty-three years. He was for a number of years in the Senate itself, first as a translator, then as Chief Translator, and finally as a Clerk at the Table. He discharged his duties in a manner which was, I am sure, satisfactory to all the Members of this Chamber.

His senior, Mr. Charles Young, who died after him, had a very exceptional career in the Senate of Canada. In 1860 he entered the service of the Parliament of the Union as a page, when eight years old. He was promoted from one post to another until he became the First Assistant Clerk of the Senate. Mr. Young was an official who was always painstaking and most faithful in the discharge of his duties.

I desire to express our sorrow at the departure of these faithful servants of the Parliament of Canada.

Hon. G. D. ROBERTSON: Honourable gentlemen, I crave the honour of associating myself with the remarks of the honourable leaders of the two parties in this House with reference to deceased members and officers of the Senate. I am sure we all share fully in what has been said of Senators De Veber, Roche and Bradbury. As to the two officers of the Senate who have passed from this earthly life, I think that we are all of one opinion, namely, that in the discharge of their duties they were unfailing in their courtesy and kindness, and that we shall ever have kindly recollections of their services.

It is, however, with a special desire to make brief reference to the departure of our late lamented leader, Sir James Lougheed, that I presume to say a word at this time. For about seven years it was my privilege to be his deskmate in this House. During that period, as well as before, I was intimately acquainted with him and my admiration for him constantly increased.

I well remember on one occasion Sir James gave me a glimpse into his early life and career, telling me that when he went to what is now the city of Calgary he entered it on foot, before the advent of the railroad. What seemed to be the outstanding characteristic of his young life, namely, his unfailing optimism and faith in his country, continued with him until the end.

We all held him in affectionate regard. Those of us who had the opportunity of knowing him quite intimately feel his loss the more. I had the pleasant privilege of being a guest in his home on several occasions and knew each member of his family. I most heartily and sincerely join in the expressions of condolence to Lady Lougheed and those who are left behind.

Hon. L. McMEANS: Honourable gentlemen, I do not rise for the purpose of adding

anything to the encomiums that have been spoken upon our late leader, Sir James Lougheed. To myself his death was a personal loss, but that is as nothing compared with the loss that the country has sustained. It was my privilege to know Sir James as far back as forty-five or forty-seven years ago, when he first started to study law.

I rise particularly for the purpose of referring to the late member from Manitoba, the late Senator Bradbury. His demise I feel, is a great loss to the Senate. He had associated himself with many matters of great public importance, and in none of them was there any question about his devotedness to the public interest. I will mention only one or two cases. For the part he took in the Fisheries Regulations that are to-day in force with respect to Lake Winnipeg and other lakes in Manitoba, the men engaged in the fishing industry owe him a great debt of gratitude. He was their representative. It was my privilege to know him when he first entered the political arena as a member for the constituency of Selkirk. We in this Chamber know that it is largely—I might say almost entirely—due to him that Canada to-day retains those great coal fields known as the Hoppe leases. He was always ready to answer the call of public duty, and when the war broke out he did not hesitate to offer his services and throw himself at once into the fight. He raised the 108th Battalion, which met with such great success on the battlefields in Europe.

His many personal qualities endeared him to the members of the Senate, and though in later years, probably owing to ill-health, he was not able to take as active a part as formerly in the debates of this Chamber, I am sure he has left his mark. We shall regret for many years to come his untimely demise.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, it has been suggested that as a Westerner I too might say a word with reference to the very untimely death of our honoured leader on this side. To make a personal reference—I am told that at the time of his death he had the heart and the arteries of a comparatively young man. He was a man who led a very clean, healthy physical life. He was rugged, active, and fond of exercise, and enjoyed everything in nature, and we in this House might have readily anticipated for him ten, fifteen or twenty years more in his span of life.

The honourable Leader of the House (Hon. Mr. Dandurand) has related to us many personal details. I may supplement them by three or four. Sir James Lougheed was born, as we all know at Brampton, in the county of Peel—a county those representative in this House, the beloved and highly respected member who sits upon my left, is now seriously ill; I refer to the Hon. Senator Blain. Sir James came from a good county, to which other distinguished men owe their origin.

I did not become personally acquainted with Senator Lougheed until I went to the West in 1897. Shortly after I went to live at Moose Jaw there was formed a law society for what are now the provinces of Saskatchewan and Alberta. Those provinces were not separated judicially or legislatively until 1905, at the time of the Autonomy Bill. As I happened to be one of the first benchers, and Sir James Lougheed was another, we became very early associated in matters relating to the legal profession, and our personal and professional contact was not infrequent. I can assure you that the gentlemen of the Bar and others who met Sir James in court found him to be a very wise counsellor and very successful advocate. Not only was he full of legal knowledge, but he had great quickness of parts, and had he devoted himself exclusively to the law he would certainly have been eminent as a counsel at the Bar.

His life was intimately associated with the Western Provinces in particular. You in the East and the centre of Canada knew him in his public capacity as a Senator; we in the West knew him also as a builder. No man in the West, I care not who it is, has done more in the building up of the industries of the Prairie Provinces than our late esteemed leader. He was a man of strong practical sense. By his early training, to which reference has been made, he became peculiarly competent in matters of building and construction. He was engaged in that work on his own behalf from the very beginning in Calgary.

With the honourable Senator from Regina (Hon. Mr. Laird), I went to the funeral of Sir James. We could not be delegated at that time, but, being apparently the only two Senators from the Prairie Provinces who were available, we took it upon ourselves in our humble way to represent the Senate. You will be pleased and will not be surprised to hear that all Calgary turned out to do him honour at his funeral. Among those who attended were to be found many old-timers from various parts of Alberta. On the train on my way home from Calgary to Medicine Hat I happened to meet one of them, who told me an interesting fact, which I had never heard, with reference to the Senator. They came to Medicine Hat about the same

time, that is, shortly after the railway reached there, in June of 1882, and Sir James Lougheed opened a law office there in a tent and was ready for business. The construction of the railroad was making wonderfully rapid progress, and a month later, in July, the railroad reached Calgary. My friend, who is still living at Medicine Hat, told me that Sir James, having learned that Calgary was to be a divisional point, as has been stated, and thinking its future a very promising one, decided to locate there, and took the first train to Calgary. As a matter of fact, he did locate in Calgary in 1883. The railway reached Moose Jaw in December of 1882 and Calgary in July, I think, of the following year. Sir James for a time kept his office in Medicine Hat as well as his office in Calgary, but eventually his growing business in Calgary and his many other activities cut him adrift from his connection with Medicine Hat.

If Sir James Lougheed had devoted himself to commercial life alone he would have made one of the finest executives on this continent. He had a marvellous capacity for grasping the salient and big things in connection with any proposition which was put before him. He was in a position to exercise to some extent, and did exercise in a high degree, his executive ability, in the service of his country, as well as in executive positions which he filled in certain companies.

I think one of the best illustrations of the value of his political and public service was given in connection with the establishment of the Military Hospitals Commission. He had to enter an absolutely new field, with no landmarks to guide his steps, but his success in the establishment of that Commission was, as we know, the envy of other countries, and more than one delegation came from the United States, officially and otherwise, to see how the Commission functioned so successfully. Sir James was always willing to accept responsibility, though he did not look for it. It did require strong determination and decision of character to take some of the steps that were necessary in the founding of the Military Hospitals Commission. It afterwards gravitated into another Department, that of Soldiers' Civil Re-establishment, of which an honourable member of this House (Hon. Mr. Béland) has full knowledge, but by that time it had become more of an organized and regularized system.

I will not speak of our personal relations, they have been so feelingly and so fittingly described by the honourable leaders on both sides of this House. As a Westerner who had the opportunity of not infrequent contact with Sir James during all my residence in the West, I found him tender of heart and able of brain.

Hon. L. O. DAVID: Honourable gentlemen, although I share in the sorrow which has been so well expressed by the honourable leaders of this House and other members of the Senate, I shall for several reasons, particularly on account of my voice, confine my remarks to a brief reference to the Hon. Sir James Lougheed. I knew him personally as a private man and as a public man for the last twenty years and found him always kind, courteous, benevolent, sympathetic—always ready to do anything to please and to help. Sir James deserves all the praise which has been so well expressed for his benevolent character and his brilliant mentality. Death is a great calamity when it destroys the life of a man whom everybody loves and admires and whose services are so useful to a country. But this is not the first time that death has carried away men dear to their families and their country, whose lives are precious and even necessary. We shall enjoy no more the gentle smile, the pleasing face, the good humour and the eloquent voice of the late Sir James Lougheed.

His death is a great loss to the Senate—indeed, to all who have known and loved him: by them he will never be forgotten.

THE NEW SENATORS AND THE NEW CONSERVATIVE LEADER

Hon. R. DANDURAND: Honourable gentlemen, may I be permitted now to turn to the living and welcome to this Chamber the newly sworn members of the House. They become life members of the Senate—of one large family working in harmony towards the fulfilment of its duties. As they are appearing in this Chamber for the first time, I desire to welcome them as co-workers, and not as party men. We do not meet here primarily as party men. The Senate of Canada is not a replica of the Commons. We live here in a more serene atmosphere—to use an expression that I used before—as becomes moderators. To act as moderators is the function given us by the Fathers of Confederation. Clothed with quasi judicial functions, we must approach all questions with a certain detachment from party passions. Otherwise how could we be moderators? Our influence throughout this country can only rest upon the conviction that our actions are dictated solely by a sense of public duty.

Such has been the example invariably given by the honourable gentleman who has been

chosen to lead the Conservative party in this Chamber (Hon. W. B. Ross). A sound jurist with a well-balanced mind, a cool head viewing all things without passion, he has often reminded me of the late Mr. David Mills, who sat here as Minister of Justice, and whom Sir John Macdonald delighted to call the Sage of Bothwell. I hope my honourable friend may enjoy long life and good health so that we may continue to profit from his mature experience, political wisdom, and extensive knowledge of public affairs.

Hon. W. B. ROSS: Honourable gentlemen I wish to thank the honourable gentleman very sincerely for the kind words he has used with regard to me. I can only hope that in some measure I may make them good.

To the other gentlemen who have come here for the first time, of course we give a hearty welcome. We are looking for the best blood, and we think we have got some of it in this House.

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

THE SENATE

Wednesday, January 13, 1926.

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

Prayers and routine proceedings.

DEPARTMENT OF SOLDIERS' CIVIL RE-ESTABLISHMENT

PRESENTATION OF REPORT

Hon. Mr. BELAND: Honourable gentlemen, I have the honour to present the report of the work of the Department of Soldiers' Civil Re-establishment for the fiscal year ending March 31, 1925.

In this connection I might say that it has been customary with this Department to lay on the Table at the opening of each Session a report covering the calendar year. On account of the early calling of Parliament this year, it has been impossible to supply both Houses with anything but a report covering the fiscal year ending on the 31st of March, 1925.

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

THE SENATE

Thursday, January 14, 1926.

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

Prayers and routine proceedings.

THE GOVERNOR GENERAL'S SPEECH

CONSIDERATION FURTHER POSTPONED

On the Order of the Day:

Consideration of His Excellency the Governor General's Speech on the opening of the First Session of the Fifteenth Parliament.

Hon. Mr. LEWIS: I beg to move that this Order be discharged and be placed upon the Orders of the Day for to-morrow.

The motion was agreed to.

ATTENDANCE OF SENATORS

RULE 105A REPEALED

Hon. Mr. DANDURAND moved, by leave of the Senate:

That Rule 105a of the Rules of the Senate be repealed, and that Rules 24a and 23a be suspended in so far as they relate to this motion.

He said: Honourable gentlemen will remember that a few years ago both branches of Parliament enacted some new rules covering the allowance paid to members of Parliament. One of those rules provided that in order to obtain the full indemnity a member had to attend seventy-five per cent of the actual sittings of the House. The House of Commons found that that rule worked some hardship, and rescinded it; we left it in our Rules and Regulations. Inasmuch as the Senate may be taking a somewhat lengthy adjournment, as is usual soon after the opening of the Session, and in view of the fact that when we return, after sitting only one or two days, we may be confronted with a situation necessitating another long adjournment, this rule would entail a great hardship upon the members from the far East and the far West. Therefore, not only for the present occasion, but for all time, benefiting by the experience of both Houses in this regard, I move, seconded by the Hon. Mr. Ross of Middleton, the Leader of the Liberal-Conservative Party in this House, that the rule be rescinded.

The motion was agreed to.

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

THE SENATE

Friday, January 15, 1926.

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

Prayers and routine proceedings.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

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

Hon. JOHN LEWIS moved:

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

To General His Excellency the Right Honourable Julian Hedworth George, Baron Byng of Vimy, General on the Retired List and in the Reserve of Officers of the Army; Knight Grand Cross of the Most Honourable Order of the Bath; Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George; Member of the Royal Victorian Order, Governor General and Commander-in-Chief of the Dominion of Canada.

May it Please Your Excellency:

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

He said: Honourable gentlemen, I have to offer what is not an unusual apology for new members, namely, that I shall be obliged to consult my notes, to an extent which is possibly not in accordance with the fixed rules of this House; but I am accustomed to express my opinions with my pen rather than with my voice, and I can assure you that my effort to speak without notes would be as painful for you as for myself.

Necessarily we approach our task in a manner somewhat different from those who live the more strenuous life of the other Chamber. It is not our business to make or break Governments, to influence the fortunes of parties, to look for partisan motives in the Speech which it is our duty to examine. We have simply to consider the various proposals on their merits as subjects of legislation which may come before us at a later day in a more specific form.

The programme of legislation, as honourable gentlemen will perceive, is unusually full, and I shall not occupy your time in endeavouring to deal with the whole of it in detail.

As to the tariff, the Speech declares that a general increase would be detrimental to the country's continued prosperity and prejudicial to national unity. It lays stress upon the harmful influence of uncertainty in regard to the tariff, and, as a means of preventing that, it announces the appointment of an Advisory Board to make careful study of the tariff.

The tariff has been a bone of contention for nearly fifty years of confederated Canada, at least since the time when the National Policy, as it was called, was proposed. On one side there was used occasionally language pointing to free trade, and on the other language pointing to high protection; but when it came to a question of practical administration, we find neither a Liberal Government giving us a free trade as it was in England, nor a Conservative Government giving us a high protection as it was in the United States. It has been remarked that the difference in the general percentage of duties under Liberal and Conservative Governments was not very great. That was due, I think, not to any insincerity on either side, but to the fact that successive ministers of finance, Liberal and Conservative, found themselves faced with practical difficulties which in the freedom of opposition they had not fully considered.

The percentage, however, does not tell the whole story. A tariff is a highly complicated structure composed of several thousand items, and its influence upon industry depends largely on the skillful or unskillful adjustment of details and the relation of one duty to another. For that reason it seems to be a proper subject for the study of such an Advisory Board as is promised in the Speech. It is upon that ground alone that the proposal appeals to me. The control of the tariff should always be in the House of Commons, and the function of the Board should be simply information and advice. There has never been, apart from the excellent departmental reports, of which I think we have not fully availed ourselves, any attempt at a systematic and continuous observation of industrial conditions and the relation of tariffs thereto, or any attempt to use these observations in a scientific way. Ministers of Finance have been largely influenced by interested persons asking for tariff favours. Members of Parliament, in discussing the tariff, have been obliged to depend upon facts, or alleged facts, gathered in a somewhat haphazard way. It is not proposed, as I understand, that the Advisory Board shall usurp the powers of the Government or the House of Commons, but that it shall furnish a body of well-arranged and marshalled information.

Now, as to the course which ought to be pursued when these facts are available, I will

state my own opinion. I believe that as long as a protective tariff is maintained, whether high or low, the protected manufacturer ought to be regarded as a trustee, and held to a strict performance of the trust. The conditions are that he shall make and sell good articles at a moderate price and pay fair wages—in other words, that there shall be no profiteering and no sweating. I lay stress on the latter point because I regard the producer as more important than the product, because there is no benefit to the country in a mere numerical increase of the working population without a high standard of living.

A third condition is that the tariff shall be moderate, because in that way only can we ensure stability and national unity. We have two provinces, Ontario and Quebec, which are highly industrialized, and in which a movement for a high tariff might meet with success. We have, on one side of them, the Maritime Provinces, where the complaint is made that the existing tariff is too high, that the Maritime people bear its burdens and receive no proportionate share of its advantages. You have on the other side the Prairie Provinces in which the prevailing opinion is for a lower rather than a higher tariff. You want a united Canada. You must seek to reconcile these differences.

When the tariff of 1879 was introduced it was called a National Policy. It was an excellent name; and if it does not accurately describe the tariff which was then introduced or succeeding tariffs, it does, in my opinion, describe the tariff which we ought to have. It ought to be truly national, and it ought to be adapted to the Canada of 1926, not to the Canada of 1879. The difference, I need hardly say, lies in the new Canada that has arisen West of Ontario since that time. In 1879 the Prairie West was negligible as to population and negligible as to production. To-day it has a population of about two millions, and it is one of the famous granaries of the world. The Western point of view differs from ours, and to reconcile the two is a real problem of statesmanship. Some years ago statesmanship was required to prevent a cleavage on racial and religious lines between Ontario and Quebec. Happily, owing to the wisdom of our statesmen and the good sense of Canadians, that difficulty has been overcome, or at least has disappeared for a time. Our task is to prevent a cleavage on economic lines between East and West, or, to speak more accurately, between the highly industrialized Provinces of Ontario and Quebec on the one hand and the Maritime Provinces and the Prairie West on the other.

The same motive of promoting national unity lies behind those parts of the Speech in which other concessions are made to the Maritime Provinces and to the West, including rural credits and completion of the Hudson Bay Railway for the West, and, for the East, an effort to encourage the movement of grain to Canadian ports, and a commission to enquire into the grievances of the Maritime Provinces. I am aware that the charge may be made that these are concessions made merely for political support. But they arise out of conditions which must be faced by any party undertaking to govern Canada. They are among the inherent difficulties of administering the affairs of a large and sparsely populated country. I prefer to assume that any support given to them by any party is sincere, and I propose to consider them on their merits, and without imputing wrong motives to any party.

Three paragraphs in the Speech relate to the subject of immigration. Everyone agrees that the crying need of the country is more population. It is speaking well within the bounds of moderation to say that we have here territory and resources capable of maintaining a hundred million people, instead of less than nine million. In the Speech it is intimated that special efforts will be made to encourage settlement on the land. Above all things we need in our new population the pioneer spirit which animated the settlers of Upper and Lower Canada in the old days. Those early settlers, under conditions far harder than ours, struck out into the wilderness and laid the foundations of the Canada which we enjoy to-day. We need, above all, in both urban and rural immigration, the resourceful man, the kind of man who is not only willing to work, but capable of finding work for himself; and if we can find such men, I should not ask too many questions as to the part of Europe from which they come.

We need in this country a more assertive Canadian spirit. Canadians have done great things, but they are a little disposed to be too modest about their own achievements. We hear a great deal about the danger of Americanization. The safeguard against that is not anti-American prejudice, but a stronger, more distinctive and more assertive Canadianism. As grown men and women we ought to feel confident in our own ability to judge what is good and what is bad in American customs and ideas, and to reject or assimilate or modify them according to our own judgment.

Such is my own faith in Canada and Canadians that I have no fear as to the outcome of the unusual political situation with which

we are now confronted. I bear in mind Longfellow's famous invocation to the Ship of State, and particularly what he said as to the dangers of the voyage:

> Fear not each sudden sound and shock:
> 'Tis of the wave, and not the rock;
> 'Tis but the flapping of the sail,
> And not a rent made by the gale.

Many greater difficulties have been overcome, and we need have no fears for the future if, without regard to differences of party, race or creed, we work together for Canada, for the country which has done so much for us and to which we owe so great a debt of love and service.

Hon. P. E. LESSARD (Translation): Mr. Speaker and honourable gentlemen, before commenting briefly upon the Speech from the Throne, may I express on behalf of my colleagues our satisfaction at having in the Speaker's Chair a gentleman who performed the same function in the last Parliament, and who, by his dignity, his judgment, his impartiality, and his profound knowledge of parliamentary law and practice, won the admiration and approval of the Senate and of all who are interested in public affairs. We are pleased to have as Speaker a man so distinguished, and we trust that he will be retained as head of the Senate for a long time to come.

The Speech from the Throne recalls to us the great honour conferred upon Canada when the representatives of 55 nations, the most illustrious diplomats in the world to-day, united in a common desire to maintain peace among the nations of the earth, appointed as their President a Canadian statesman; and the Senate has a right to be especially proud of the choice, for that statesman is the honourable Leader of the Government in this Chamber.

My humble congratulations can add nothing to the renown of my honourable Leader. Will he allow me only to tell him that those who sit beside him here recognize in the honours which he has gathered for himself and his countrymen the result of work done in carrying out the principles of a patriotic school of which he was a pupil and one of the most brilliant defenders—a school whose traditions he guards intact—that school of Sir Wilfrid Laurier. All my honourable colleagues who have seen him at work in this Chamber —and I do not hesitate to appeal also to the honourable gentlemen on the left—admire his eloquence, his tact, his courage, his courtesy, and his great activity. Those who have read the newspapers know the important part he played in the discussions of the League of Nations. In Europe as well as in Canada he has attracted admiration, and I am sure it arouses among the honourable members of this House a feeling of legitimate pride to mention the honour conferred upon our colleague by the representatives of the nations. To give utterance to your thought I would say, Long live our Canadian "Loubet"!

Since last Session, by the death of Sir James Lougheed, the province in which I live has lost one of its most illustrious citizens, Canada one of its most devoted sons, the Senate one of its most enlightened counsellors, and His Majesty's loyal Opposition in this House a loved and revered leader. Voices more authoritative than mine will pay to his memory the homage it deserves.

The new Leader of the Opposition is a legislator whose reputation extends to all parts of Canada. I join with my honourable colleagues in congratulating him on having been chosen to direct the forces of the left, and I have no doubt the duties entrusted to him will be fulfilled with all the ability for which he is noted. It is, I am sure, the desire of all my colleagues on the right that he may be Leader of the Opposition in this Chamber for many years to come.

The Speech of His Excellency informs us that a resolution will be transmitted to His Majesty, tendering to him the condolence of the Parliament and people of Canada on the death of Queen Alexandra. That good Queen had won the affection of all citizens of the Empire, who will always remember her happy influence and co-operation in the work of the Peacemaker King.

The Government cannot be accused of failure to incorporate in the Speech from the Throne an elaborate programme to promote the interests of the country. Never in the history of our Confederation has a more explicit policy been announced at the opening of a Session of Parliament. What, then, is contained in the Speech from the Throne? What does it announce?

After outlining the prosperous condition of the country, the increase in production and the expansion of our trade, it announces—what we had been long awaiting—a reduction in taxation. The Canadian people will receive this news with joy. By means of the periodical publication of a statement of account showing in clear and simple form where the revenues have been obtained and how they have been used, the taxpayer will be able to keep informed on the administration, and his confidence in the future will grow with his interest in the state of our

public affairs and with each of the reductions which the Government will from time to time be able to make.

The policy announced by the Government on the subject of immigration is a further source of gratification. The greater advantages that Canada will offer to immigrants cannot but stimulate the efforts of our agents and induce agriculturists in other countries to come and avail themselves of the incomparable richness of our soil. It is agriculturists that we need. There is room in this country for millions of farmers. Our fertile lands await them and will repay them generously for their labour. In Alberta we have more than 100 million acres of arable land, of which only 11 million acres are cultivated. Is it conceivable that human beings, white men, should toil as they do in certain parts of the globe without being able to put by enough to appease the hunger of their families, while here in Canada Mother Earth, in return for their physical effort, offers them abundance and even wealth? We have often heard it said, even by our farmers: "We have enough agriculturists: what we require now are industries which will provide a home market for agricultural products." People who speak thus are egotists who care little for the future of this country. More than all else we need tillers of the soil, farmers who will constitute a home market for the absorption of manufactured goods. The more solidly this market is established, the more prosperous will be our industries. Our manufacturers must find their sustenance in the country itself before thinking of exporting their surplus goods, and this basis of support is provided by the consumers who till the soil or are engaged in the development of our other natural resources. I say, therefore, with the deepest conviction, that if we would become a prosperous nation we must in the first place encourage immigration and the placing of settlers on the land.

We have for many years deplored the exodus of large numbers of our people who have gone to the neighbouring Republic. This movement was quite natural. The disturbances and the economic movements of a great country are like the flow and ebb of the tide in their effect on the lesser population of an adjoining country. It was inevitable that after the war a great nation, possessing the largest share of the world's capital, should, like a huge magnet, attract the people of our country, the only country not protected from its influence. But we also have a magnet, which is bound to help in the repatriation of Canadians: it is the fertility of our soil. That, however, is not sufficient. We must still make sacrifices to bring back our Canadians from abroad. If it costs twice as much to bring back a Canadian as to bring in an immigrant from a foreign country, let us make the expenditure without hesitation. We shall ultimately save by so doing, for we know it will not be necessary to make any further outlay in order to Canadianize the repatriated Canadian, as we should have to do in the case of the foreigner. We must make sacrifices also to develop as much as possible our basic industry, agriculture. If agriculture is prosperous other industries will soon be in a similar condition. The settler and the farmer must feel contented in Canada. The best colonization agent that the country can possess is the settler who writes to his relations and friends: "I am settled in Canada and am quite contented here." Now, the Government has announced that it will submit to Parliament several measures to improve the condition of our farmers. These projects should all recive our cordial support.

One of these measures will provide for the establishment of rural credits. This subject has been discussed in the Senate at previous Sessions and I am sure that we shall give it careful and favourable consideration. It is also for the purpose of assisting the agricultural class that an Advisory Board will be formed to study the possibilities of revising the Customs Tariff with a view to lightening the burden of duties imposed on instruments of production. Our farmers will benefit further by the opening of new markets for their products through the commercial treaties arranged with other British Dominions.

There are two points in the Speech from the Throne which interest more especially the people of Western Canada. The first is that which concerns the completion of the Hudson Bay Railway. A special committee of the Senate some years ago studied this question thoroughly and recommended the completion of that line. It is to be hoped, therefore, that when this project is submitted to us it will receive the support of all who recommended it in the past.

The second measure is that which is intended to give to the Province of Alberta the ownership and administration of its natural resources. For a long time my province has claimed its rights in this respect. Our resources are almost inexhaustible. My predecessor, Hon. Jean L. Côté, whose untimely death we all regret, and who never lost an opportunity to work for the welfare

of Alberta, gave you, last year, a detailed account of the riches of that province. It is sufficient for me to recall to your mind what he said about our coal mines, perhaps the greatest in the world, our immense asphalt deposits, our oil wells, natural gas and forest reserves, and all the possibilities of developing this natural wealth to make of our province one of the most important in the Dominion. I adopt his words and ask you to give to this measure, when it is presented, the most sympathetic and most careful consideration.

I must not resume my seat without congratulating most heartily the honourable Senator who has so eloquently moved the Address in reply to the Speech from the Throne. I have much pleasure in seconding his motion.

Hon. W. B. ROSS: Honourable gentlemen, it is in order, I think, that on behalf of this side of the House I should extend our good wishes and congratulations to the honourable Senators who have become members of this House this Session. They constitute a great importation of new and good blood, and when I look at them I am quite satisfied that this House shows no sign of decline, but, on the contrary, exhibits every evidence of renewed strength and vigour, not only for the discharge of the ordinary duties of the House but of the work of this country. We on this side of the House welcome those gentlemen.

It is also my pleasing duty to congratulate the mover (Hon. Mr. Lewis) and the seconder (Hon. Mr. Lessard) upon the speeches that they have just delivered to us; but I must say that the speech of the mover of the Address was much plainer to me than the speech delivered by the gentleman who seconded it. I have no doubt however that in due time I shall be able to abstract from the latter a good deal of the wisdom it contains. I am not going to criticize anything that the honourable gentlemen have said, and in a moment I will explain why.

Passing to the Speech proper, there is one matter which it contains that concerns us all, and on which we can all speak, no matter on which side of the House we may sit. His Majesty the King has suffered lately a great bereavement in the loss of his mother. For years she was an honoured Princess in England, and then a Royal Queen, beloved and respected not only by British citizens at home but by people in all parts of the Empire—I might almost say in all parts of the world. It is beyond controversy that she was a good woman, which, perhaps is a greater title than any of the others I have mentioned, and I think it is fitting that we should all join in expressing our sincere sorrow and in extending our sympathy to His Majesty the King in his great loss.

Another matter to which I would refer is the fact that we have in our midst a member of this House who has been the subject of a great and unique honour during the past year. I wish for myself to extend to the Leader of the Government in this House my unalloyed and heartfelt congratulations upon the great honour that has been conferred on him by the offer of the presidency of the Assembly of the League of Nations, an office which he has, I think wisely, accepted, and the duties of which I have no doubt he will discharge capably. There are gentlemen in this House who understand the machinery and the mechanism of the constitution of the League of Nations better than I do, although I think that I have a general knowledge of it and an appreciation of the greatness of that institution and of what it means to be made the president. I have no hesitation at all in saying that the honour so conferred on the Leader of this House is one in which this House shares. I think we can truly say that the House is honoured by the choice of the Leader of the Government here for that high position. It is an honour to my honourable friend's native province, it is an honour to the Dominion of Canada, and I have no doubt that he will long live to occupy an important position and to play an important part, as he already has done, in the workings of the League of Nations, whether as president or in some other capacity. I extend to him what I know to be the unfeigned feeling of satisfaction of this side of the House.

Leaving this subject and passing to the Speech proper, there are one or two things to be said. In the other House the Address in Reply to the Speech from the Throne is a critical thing, it is one of those things upon which governments come and governments go While it is not altogether correct to say that the adoption of the Speech from the Throne by this House is a formal thing, it is not of the same importance as its adoption by the other House. The Speech from the Throne is the method by which we receive the message from His Excellency, for which we loyally return our thanks; and it is a well-known fact that if we were to vote down the Address in Reply to the Speech from the Throne, our action would not affect the government of the day in the least, and that it would continue in office as if we had passed no such motion.

A peculiar situation exists in the other branch of Parliament, and I think my hon-

ourable friend opposite is to be commended for the motion he made a few days ago to postpone the consideration of the Address in Reply until the situation became somewhat clearer and calmer, and when we might deal with it without being suspected in any way of interfering in what was going on in the other House or of doing anything that could be interpreted as an attempt to influence matters in the other House. I do not think that situation has quite cleared up yet, and I and the honourable gentlemen behind me feel that for the present we should not ask for a division of the House on this question, or propose an amendment to the motion. We are inclined to let the motion pass; but, so far as we are concerned, it must pass with the distinct understanding that we do not acquiesce in the statements contained in the Speech from the Throne and that when any of the measures mentioned in it come to this House we will not feel bound to refrain from acting in a perfectly free and independent manner. Taking that position, for the present we suspend and postpone all discussion upon the Speech from the Throne apart from what I have already mentioned. If we were to proceed to discuss it, we would be discussing only general propositions, perhaps in an instructive way to some extent, but at the same time in an academic way; and until we get the specific Bills from the other House, outlining what is proposed with regard to rural credits or the Hudson Bay railway and so on, it is impossible for us to pronounce judgment upon those matters. Therefore we agree to allow this motion to pass without a vote, with the qualification that our action in that respect must have no influence upon the course which we will take with regard to any of those measures.

I think that is practically all I can say to define our position upon the Address in Reply to the Speech from the Throne.

Hon. R. DANDURAND: Honourable gentlemen, I desire to congratulate the mover (Hon. Mr. Lewis), the seconder (Hon. Mr. Lessard), and the official critic (Hon. W. B. Ross), if I may so call my honourable friend who has just taken his seat, upon the speeches which they have delivered.

I always enjoy listening to a journalist speaking on public affairs. The mover of this Address is a journalist of distinction and of long experience. Not only has he had a brilliant career in the editing of important newspapers, but he has written, among other things, a life of George Brown, for the "Makers of Canada," which is now, and which will more and more become, a standard work dealing with an important part of the political life of Canada. Journalists are particularly well equipped for parliamentary life. They have a large knowledge of matters of public concern; they view events daily from all angles; and, if they were not otherwise apt to do so, the criticisms which they meet daily would familiarize them with the different angles from which a matter can be studied and presented. A journalist must of necessity treat questions concisely, and with logic and clarity. We have just had a very good example of that from the honourable gentleman whom we welcome into this Chamber from the city of Toronto.

The seconder of the motion, who comes to us from Edmonton, has had considerable experience in public affairs, having been a member of the Legislature and of the Executive of his province. He has given us his views as to the requirements of his province, the richness of its soil, and the importance of settling thousands of people upon that soil to make a good living and become prosperous. I am sure we shall benefit from the experience that the honourable gentleman brings to this House and from the knowledge that he possesses of conditions in his own province. His association with the West has been a long one, and his presence here will but add to the brilliancy of the delegation from the Western Provinces that sits in this Chamber.

The Speech from the Throne expresses Canada's regret at the demise of the good Queen Alexandra, the mother of His Majesty the King. I well remember on one occasion passing a day, a brilliant sunny day, in the old city of London, when a flower campaign was taking place in aid of hospital work, a work which was near the heart of Her Majesty. At no other time have I witnessed such a sympathetic atmosphere, such an evidence of the affection of the people for that good Queen. Tents were erected in many centres of London, everybody carried her favorite flower in their buttonhole, and the battle of the flowers in some centres was most interesting; and a very large sum of money was gathered for the hospitals in which Her Majesty was so much interested. I realized on that occasion that she enjoyed the deep affection of her people in London, as well as elsewhere; and from that contact with the population in whose midst she lived, I have retained a great admiration for the woman who could win the hearts of those millions of people at the centre of the British Empire.

My honourable friend has been kind enough to express his congratulations upon the honour

which has been conferred on my humble self in being called to the presidency of the League of Nations. I may say that I really felt that that moment was a most important one in my life, when the representatives of some fifty nations mounted the rostrum and solemnly deposited their votes, not perhaps so much for myself as for the country which I had the very great honour of representing. Let me add that I prized that honour all the more because I felt that it was shared by all my compatriots.

On the matters which are contained in the Speech from the Throne, I will be as brief as my honourable friend opposite. (Hon. W. B. Ross). All the matters which are contained in that Speech will come to this Chamber in concrete form. We have only the announcement of general policy, and the Senate will have to take the legislation as it comes from the Commons, apply its best attention to the various matters involved therein, and decide with absolute independence every question that reaches this House.

The Speech from the Throne, when an Address is presented in answer to it, has not the same importance, in this Chamber as in the other. I take it for granted that we simply follow an old tradition by which the House of Lords thanks His Majesty for his gracious Speech. It is but a tradition with this Chamber, because it does not bind us to the policy or policies that are mentioned in the Speech from the Throne. As the matters come before us, individually and separately, we treat them and decide upon them.

As we are meeting at the time of the year when congratulations are extended, and good wishes to our friends are expressed, I think it is in order that we should extend our congratulations and good wishes to all our fellow-Canadians. We should indeed be proud of our people. I have travelled through Europe, having crossed seven or eight countries before returning to my home, and nowhere have I seen a better country in which to live than Canada, or a more contented people. Canadians are hardworking and thrifty. I had intended to speak of the expanding trade of our country, but I may simply summarize it in a word. In the matter of exports Canada to-day stands second per capita, in the list of economic activities of all the nations. This fact affords sufficient reason to express our admiration for the work of our people in field and shop. We have expanded in all the natural resources—in the forest, in fisheries, in the mines, as well as in agriculture. In analyzing our exports it is interesting to find that our industries have done their fair and large share. On the whole, I think we should be optimistic, and I know that if our people continue, as they will, to labour seriously, day in and day out, they will work out our salvation. We have difficult problems, but we will face them like men.

The Senate did its share last year in investigating one special matter which engrossed, and must continue to engross, our attention. I am sure the Senate of Canada will continue to do its part, and contribute its share of wisdom in steering the ship of state into safe and proper channels.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, after the statements which have been made by the Leader of the Opposition (Hon. W. B. Ross) and my honourable friend who has just taken his seat, it is not my intention to undertake a discussion of the various paragraphs in the Speech from the Throne; but there are two or three things in which I wish to associate myself with those who have spoken.

In the first place, I wish to congratulate my two honourable colleagues, who are new to this House, though not at all new to work for Canada in their own special lines in their localities so widely distant from each other in this country of vast dimensions. I am not going to utter a single word of criticism, but if they will allow me the privilege of an older man in reference to novices in this Chamber, I might just say that while I was pleased to listen to the speeches they made as read, I would have been more pleased if they had dispensed with the manuscript, and spoken as man to man, as I am quite sure they are able to do, and will hereafter do. After all, either of those gentlemen could stand right up and talk to anyone eloquently and strongly, and express his views clearly. Well, an audience is merely one man multiplied by twenty, thirty, forty or fifty, and it would not be at all difficult, if they made up their minds, to speak effectively without manuscript.

I want to associate myself with those who have extended a welcome to the newcomers in this Chamber. Some of them were old colleagues of my own in another House, where the atmosphere was not always so calm as it is reputed to be, and I think really is, in this Chamber. I am quite sure that the very moment they took their seats in this Chamber the atmosphere brightened and lightened, and they looked upon the men opposite them as brothers in a common cause, in a place where prejudices and partizanship are softened, if not entirely eliminated. Perhaps nothing has struck me so strongly, in my change from the other House to this one, than

to note the extremely non-partisan way in which members on both sides of the House approach the questions that are presented to them in the different Committees, and work together, as I am bound to say, with only the primary idea of getting at the very best that is possible for the good of the country in the various measures which are placed before them. That same remark applies to the business in this Chamber after we come from Committees. Now and then a little of the old flames flares up in some of my honourable friends opposite—not in any on this of the House—and gives us a reminiscence of the days when the fight was brisker and the competition a little more keen than it is in this Chamber.

I desire also to associate myself with those who have made sympathetic reference to the death of the Queen Dowager. It just struck me, and I do not think had struck me in that way before, as really a wonderful thing that the life of two women has spread over a century of this Empire of ours: 1817, 1837, 1926 mark about a century during which the lives of two Queens have most intimately affected this whole British Empire. The influence of those two women has been wonderful indeed. Sometimes quite invisible, sometimes quite apparent, are the links and ties that bind a people to the Crown, and that bind the people under one Crown to each other. I challenge the thought as to whether there has been any influence in the British Empire within the last century which has gone down deeper into the homes of individual subjects and citizens of the Empire of Great Britain than the queenly, womanly and pure qualities of those two women whose lives span a century of our progress and a century of our best development.

As regards other references to the Speech before us, I have none to make except to join myself with the leader of the Opposition in congratulations to the leader of this House (Hon. Mr. Dandurand) on the honour which was conferred upon him, conferred upon this Senate, conferred on Canada, and conferred on the Empire as a whole, by the high position which was accorded him at Geneva. It is one thing, and rather a high thing, to take the presiding position of influence where there are 90 individuals whose tendencies, thoughts, prejudices, wishes and desires are to be consulted, more or less; but one gets away into quite another atmosphere, and a higher one, when one has to preside over an assembly of delegates from 55 countries of the world—old countries that have existed in their civilization and culture for thousands of years; young countries which, so to speak, are just in the making; and where there is an immense variety of creeds, languages, religions, and all that. An Assembly of that kind strikes one more forcibly than is possible in any other way as exhibiting what the brotherhood of humanity really means. My honourable friend enjoyed the distinction of being president of an assembly of that kind, unique in the history of the whole world. No man before him from our own Dominion ever enjoyed an opportunity of that kind, and I congratulate him not only on the honour thus accorded him, but on the ability with which he filled the position; for, though I was not present, I have corresponded with and have seen men who were there, and I know that my honourable friend was not a single whit behind any of the distinguished men who during the six years of that Assembly's life have had that honour conferred upon them. I hope, indeed I know, that though he was an ardent advocate of the League and its aims and purposes before that unique experience, he will be still more ardent and strong in advocacy of that great enginery of possible peace and possible immunity from war which has been reared into a superstructure of wonderful brilliancy and wonderful prestige within its short lifetime of six years.

The motion for the Address was agreed to.

ADJOURNMENT OF THE SENATE

Hon. Mr. DANDURAND: I desire to move, with the leave of the House, that when the Senate adjourns this afternoon it stands adjourned until Tuesday, the 16th day of February next, at 3 o'clock in the afternoon.

By tradition, this is what we generally do at the opening of the House when we know that no business will reach us before the date fixed for reassembling. Circumstances may be such that on our return here on that date we may find ourselves without any work; and, if the conditions warrant a second adjournment, I shall find a way to inform the honourable members of the Senate who are at a distance that we shall simply meet and again adjourn.

Hon. W. B. ROSS: And that will govern not only the sittings of the House, but also the sittings of committees, unless, like the Divorce Committee, they get special leave to proceed?

Hon. Mr. DANDURAND: Yes. I was about to ask the Chairman of the Divorce Committee if he thought it would be necessary to have his Committee meet during the recess. If so, he might move for leave.

Hon. Mr. WATSON: He has permission now.

Hon. Mr. WILLOUGHBY: I think that the motion passed to-day empowers us to meet whether the Senate is convened or not, and that we can sit even while a sitting of the House is taking place. We do intend, as a matter of fact, to sit at some time during the adjournment.

Hon. W. B. ROSS: It is understood, then, that if there is an adjournment none of the larger committees, except any that has special leave now, will sit?

Hon. Mr. DANDURAND: Yes, that is understood

The motion was agreed to.

The Senate adjourned until Tuesday, February 16, at 3 p.m.

THE SENATE

Tuesday, February 16, 1926.

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

Prayers and routine proceedings.

CLERKS ASSISTANT TO THE SENATE

EXEMPTION FROM CIVIL SERVICE ACT

The Hon. the SPEAKER presented a report from the Civil Service Commission exempting from the operation of the Civil Service Act the positions of First Clerk Assistant and Second Clerk Assistant to the Senate.

DEMISE OF QUEEN ALEXANDRA

JOINT RESOLUTION

A message was received from the House of Commons informing the Senate that the Commons had passed an Address to His Most Excellent Majesty the King, expressing the deep regret and heartfelt sorrow of the House at the demise of Her Majesty the late Queen Mother Alexandra, and requesting Their Honours to unite with the House of Commons in the same Address.

Hon. Mr. DANDURAND moved:

That the Senate doth agree with the House of Commons in the said Address and do fill in the blank space therein with the words "Senate and."

He said: Honourable gentlemen, the Address which comes to us reads as follows:

We, Your Majesty's dutiful and loyal subjects, the the House of Commons of Canada, in Parliament assembled, approach Your Majesty with the expression of our deep and heartfelt sorrow at the demise of Her Majesty the Queen Mother.

We deplore the loss of Queen Alexandra, whose manifold and exalted virtues have for three generations commanded the respect and admiration of the world, and there has come to each of us a sense of personal bereavement which, we say it with all possible respect and duty, makes Your Majesty's sorrow our own.

We pray that the God of consolation may comfort Your Majesty and the members of the Royal Family in their affliction, and that Your Majesty may be long spared as the Sovereign of this great Empire.

This resolution is before us for confirmation. We all, I am sure, join in the expression of sorrow contained in it. We voiced our feelings in this respect when, at the opening of Parliament, in discussing the Address in reply to the Speech from the Throne, we spoke of the demise of Her Majesty the Queen Mother. I do not know that I can add anything to the words we uttered then. I am sure that there was in the hearts of all Canadians a deep affection for a Queen who reigned with such dignity and in so lovable a manner as did the Queen Mother who has departed.

Hon. W. B. ROSS: Honourable gentlemen, at an earlier date in the Session I expressed on behalf of honourable members on this side of the House our sorrow at the death of the Queen Mother. There is nothing to add to what I said then, but I desire to associate myself with the remarks of the honourable leader on the other side, and I am sure that we all join in what he has said.

The motion was agreed to.

Hon. Mr. DANDURAND moved:

That the Hon. the Speaker do sign the said Address on behalf of the Senate.

The motion was agreed to.

Hon. Mr. DANDURAND moved:

That a Message be sent to the House of Commons to acquaint that House that the Senate hath agreed to the said Address to His Most Excellent Majesty the King, and hath filled in the blank space therein with the words "Senate and."

The motion was agreed to.

Hon. Mr. DANDURAND moved:

That a humble Address be presented to His Excellency the Right Honourable Julian Hedworth George, Baron Byng of Vimy; General on the Retired List and in the Reserve of Officers of the Army; Knight Grand Cross of the Most Honourable Order of the Bath; Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George; Member of the Royal Victorian Order; Governor General and Commander-in-Chief of the Dominion of Canada: May it please Your Excellency:

We, the Senate and of Canada, in Parliament assembled, have agreed to an Address to His Most Excellent Majesty the King expressing our deep and heartfelt sorrow at the demise of Her Majesty the Queen Mother, and respectfully request

Your Excellency will be pleased to transmit the said Address in such a way as Your Excellency may see fit, in order that it may be laid at the foot of the Throne.

The motion was agreed to.

Hon. Mr. DANDURAND moved:

That the Hon. the Speaker do sign the said Address on behalf of the Senate.

The motion was agreed to.

Hon. Mr. DANDURAND moved:

That a message be sent to the House of Commons to acquaint that House that the Senate hath passed this Address, to which they desire their concurrence.

The motion was agreed to.

ADJOURNMENT OF THE SENATE

Hon. Mr. DANDURAND: Honourable gentlemen, there is nothing on the Order Paper that we could take up to-day. I stated, on moving the adjournment of the House to this day, that if no measure was forthcoming, either from the House of Commons or from the Government, it would be my duty to ask for an extension of the adjournment which I then moved. Nothing has come during recess from the other House, and I am informed that the measures to be laid before Parliament are mostly mentioned in the Speech from the Throne or have been announced by the leader of the Government in the other House. I am further informed that these measures, some of which contain money clauses and appertain specially to the other House, will all be presented in the Commons. Therefore the legislation which will be submitted to Parliament will come to His Honour the Speaker by Message from the other Chamber.

This House must note also the fact that the House of Commons has decided, upon voting the Address, to adjourn to the 15th of March.

Under these circumstances I do not hesitate to take the responsibility of moving:

That when the Senate adjourns to-day it do stand adjourned to Tuesday, the 6th of April, at 8 p.m.

The motion was agreed to.

INQUIRY FOR PAPERS

Hon. G. D. ROBERTSON: Honourable gentlemen, if I am in order I would like to call the attention of my honourable friend the leader of the Government to the fact that a rather important public inquiry is proceeding at the present time and reports of it are published daily, but for some reason the members of this House are not receiving copies of the report. There are probably a number of honourable Senators who would like to keep fully informed of the facts as they are shown, and I feel that it would be quite proper to supply honourable members of this House with copies of the report published and distributed daily to members of the other branch of Parliament. May I suggest to my honourable friend the leader of the Government that if this could be arranged a number of honourable gentlemen in this House would appreciate it.

Hon. Mr. DANDURAND: I understand that a similar request was made by the other House when a Senate inquiry was proceeding last Session and that we provided the members of the other House with copies of our report. I take it for granted that this sort of thing is done on the simple request of one Chamber to the other, and I will ask the Clerk of the Senate to see the authorities of the other Chamber, in order that whatever printed reports are distributed, daily or otherwise, with respect to the inquiry, may be made available to the honourable members of this Chamber.

The Senate adjourned until Tuesday, the 6th of April, at 8 p.m.

THE SENATE

Tuesday, April 6, 1926.

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

Prayers and routine proceedings.

THE GOVERNOR GENERAL'S SPEECH

THANKS OF HIS EXCELLENCY

The Hon. the SPEAKER presented a Message from His Excellency the Governor General thanking the Senate for the Address in Reply to the Speech from the Throne.

DEMISE OF QUEEN ALEXANDRA

MESSAGE FROM THE GOVERNOR GENERAL

The Hon. the SPEAKER presented a Message from His Excellency the Governor General thanking the Senate for the Address expressing its deep regret and heartfelt sorrow at the demise of Her Majesty the late Queen Mother Alexandra, and stating that the said Address has been forwarded to the Secretary of State for Dominion Affairs in order that it may be duly laid at the foot of the Throne.

APPOINTMENT OF EXCISE AND CUSTOMS OFFICIALS

INQUIRY

Hon. Mr. BLACK inquired of the Government:

1. How many Preventive Officers, or other officials, have been appointed in Excise Department, by the Minister of Customs, or his Department, independent of and without reference to the Civil Service Commission, since 1st January, 1925, up to this date?

2. What is the total amount salaries paid to such officials?

3. Have the services of any of such appointees been used in the Department at Ottawa? If so, how many and what is the total amount of salaries paid to such appointees?

Hon. Mr. BLACK made a similar inquiry respecting appointment of Preventive Officers, or other officials, in the Customs Department.

Hon. Mr. DANDURAND: No distinction is made between Customs and Excise Officers.

1. 107 Customs and Excise Officers, of whom 33 are in receipt of $200 or less per annum.

2. $100,237.

3. Yes; 4; $4,080.

APPROPRIATION BILL NO. 1

FIRST READING

Bill 14, an Act for granting to His Majesty a certain sum of money for the public service of the financial year ending the 31st March, 1927.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: Honourable gentlemen, this Bill asks Parliament to grant to His Majesty a sum equal to one-twelfth of the whole Supply. The fiscal year having ended on the 31st March last, this Bill, if passed, will enable the Government to maintain the various services and to carry on the Government of His Majesty. The Bill is in the usual form. The items contained in it can all be taken up when the main Supply Bill is before us. I do not know that there is any special principle in this Bill which makes it different from any other Supply Bill. Any of the items can still be discussed when the main Supply Bill comes before us, and no member will be prevented from expressing his opinion of the Bill itself or of any detail of the Bill. This is the customary one-twelfth for carrying on the affairs of the country.

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

Hon. Mr. DANIEL: What does it amount to?

Hon. Mr. DANDURAND: $15,934,291.06.

Hon. W. B. ROSS: Honourable gentlemen, I think this is the usual interim Supply Bill that has been coming up to this House probably ever since Confederation, or very shortly after, under both Liberal and Conservative Governments. The Bill got its third reading in the other House on the 26th of March, when statements were made there by Sir Henry Drayton and by Mr. Robb as to the effect of the Bill. Both these statements have to be taken together, because they are interlocked. As I understand it, in passing this Bill nobody is bound to any item in the Main Estimates, neither does the Bill advance any item in the slightest degree. This is merely a credit of $15,000,000 against a very much larger sum. As there are some new members here, I think it is just as well that they should clearly understand that we are not committed in the slightest degree to any item in the Bill, or to express an opinion or to give a vote either for or against it in time to come. If the Leader of the Government presents the Bill in that sense, I am perfectly content to assent to the second reading.

Hon. Mr. DANDURAND: I think the honourable gentleman has fairly stated, though perhaps in better form than I could do it, my own thought. Of course, we have our limitations in dealing with this Bill, even under the unanimous resolution of this Chamber, and I am not limiting, or intending to convey the idea that I purpose to limit, the power of the Senate. I may say that quite a number of the items of the main Supply Bill have already been adopted in the other Chamber, but they do not appear in this Bill. This is only one-twelfth, even of the items already adopted.

Hon. Mr. POPE: Does it include one-twelfth of any and all items?

Hon. Mr. DANDURAND: Of the whole Supply Bill.

Hon. Mr. POPE: One-twelfth of the items?

Hon. W. B. ROSS: Of the mass.

Hon. Mr. POPE: Then, in passing this Bill we really recognize the principle embodied—

Hon. Mr. CASGRAIN: No.

Hon. Mr. DANDURAND: That is the reservation that has just been made and which has been emphasized by my honourable friend opposite.

Hon. W. B. ROSS: Honourable gentlemen, I do not agree that the Bill involves one-twelfth of each item; it is one-twelfth of the mass sum. Sir Henry Drayton says:

I suppose we are safeguarded by the statement further on in the Bill that this is one-twelfth of the whole supply to be voted.

The Bill seems to vary a little from that, and says one-twelfth of each item.

Hon. Mr. POPE: I would like to know whether, if we passed this Bill to-night, one-twelfth of every item would be available to-morrow.

Hon. Mr. DANDURAND: That is my understanding.

Hon. Mr. POPE: That is not one-twelfth of the whole.

Hon. Mr. DANDURAND: I cannot quite see the difference.

Hon. Mr. ROBERTSON: May I call the attention of the Leader of the Government to the fact that the gross amount of the Estimates as submitted for the current year is roughly $345,000,000. This $15,000,000 does not represent one-twelfth of that total amount by any means. I think that is the point my honourable friend who has just spoken (Hon. Mr. Pope) has in mind. It would seem, perhaps, that this is one-twelfth of the Civil Government Estimates.

Hon. Mr. DANDURAND: This is the Bill we are considering:

From and out of the Consolidated Revenue Fund there may be paid and applied a sum not exceeding in the whole fifteen million, nine hundred and thirty-four thousand, two hundred and ninety-one dollars and six cents, towards defraying the several charges and expenses of the public service, from the first day of April, one thousand nine hundred and twenty-six, to the thirty-first day of March, one thousand nine hundred and twenty-seven, not otherwise provided for, and being one-twelfth of the amount of each of the several items to be voted, set forth in the Estimates for the fiscal year ending the thirty-first day of March, one thousand nine hundred and twenty-seven, as laid before the House of Commons at the present session of Parliament.

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

Hon. Mr. DANDURAND: I beg leave to move the third reading of the Bill.

Hon. Mr. POPE: To-morrow.

Hon. Mr. DANDURAND: To-morrow.

The motion for the third reading of the Bill was postponed until to-morrow.

THE LEAGUE OF NATIONS

On the motion of Hon. Mr. Dandurand for the adjournment of the Senate:

Hon. J. P. B. CASGRAIN: Honourable gentlemen, before the House adjourns, I would like to refer to a certain matter. Since we parted a few weeks ago something of very great moment not only to this House but to the country has taken place. One of our colleagues, the Leader of the Government in this House, has been to Geneva to attend a meeting of the League of Nations, and I see that the honourable gentleman has been giving some interviews in the newspapers. I want to remind the honourable gentleman that if he had not been a member of this House he would not have been there, and I think it is of the greatest importance that he should give the first information to his colleagues in this House. The honourable gentleman went to Geneva when Article X was still in force, an article which may mean life or death to the sons of many people in this country, and I think the honourable gentleman could with great propriety take this House into his confidence, since it was as a member of this House that he went to Geneva and there represented this country.

And whilst he is doing that, there is another matter. We all remember that not long ago an honourable gentleman of this House spoke of the Protocol passed by the General Assembly of the League of Nations on the banks of Lake Leman. But something happened to the Protocol; and whether it is dead or alive now I do not know, and I would like the honourable gentleman to tell us. We were told that if it was lying dormant it would revive.

There is another point on which we would all be glad to hear from the honourable gentleman. There was the Locarno Pact, which was going to be a great thing! Has Locarno gone the way of the Protocol? Is Locarno also asleep? Is there a wake going on around Locarno now? For those who do not study these questions carefully, what Locarno really meant it is very difficult to understand. If one read the debates that took place in the Legislative Chamber in Paris he would see that Locarno was not a very wonderful thing. I give English statesmen credit because when they know that something does not amount to much they make a great deal of it. When the Locarno Pact was negotiated, which admitted Germany into the League of Nations, the Right Hon. Austen Chamberlain came back to England and was received with acclaim not only by the people, but by Their Majesties, who singled him out and gave him one of the highest Orders in the gift of the British Crown, the Order of the Garter. If my memory serves me, there are only twenty-four members of that Order. He was proclaimed as a saviour. When such honours were conferred on the man who negotiated this famous thing, everyone thought that Locarno must be all right. But when you came to look at it, what was it? Locarno amounted to this: it was simply taking a

sponge and wiping off the slate all the atrocities committed by Germany. We were to forget those atrocities; we were to forget the abominations; we were to forget the "scrap of paper"; we were to forget the prosecutions that were going to take place of those who had been guilty of the worst crimes civilization ever knew, and we were to take to our arms our former enemies, those who had disregarded treaties and trampled over Belgium when they had sworn to protect her. Everything was to be forgotten, and Germany and the others were to be taken into the League of Nations. More than that, Germany was to be admitted on special terms. We were to forget also the sinking of the Lusitania, when innocent people went down to their deaths within a few miles of the shore of England.

That was Locarno. Well, honourable gentlemen, some of you may think much of Locarno, but I for one must say—I know I am in the minority in this House—that I do not think any more of Locarno than I do of the League of Nations. Of course, I am not going to speak of the League of Nations to-night, because I have already spoken about it in this House on more than one occasion. If anyone is anxious to know what I think, all he has to do is to look up Hansard. I have said repeatedly that the League of Nations is a splendid thing, a beautiful dream; but it is too good for mortals: it was made for angels. I would like to hear from the honourable gentleman as to what will be our position in future. If Germany comes into the League of Nations conditions will be absolutely changed. Formerly France and England were the mirror of the League of Nations: what they decided went. But when a new element is introduced, an element that was opposed to us and that wants to get into the League of Nations in order to destroy the Treaty of Versailles, in order to get colonies again, and mandates, I would like to hear from the honourable gentleman—and I am not speaking only for myself, but for very many other people who are very much concerned—as to where we are drifting in our connection with the League of Nations, and as a favour I would ask the honourable the Leader of the Government to explain just what he has been doing lately at Geneva.

Hon. Mr. DANDURAND: Honourable gentlemen, if the honourable gentleman from De Lanaudière (Hon. Mr. Casgrain) had limited his inquiry to his last phrase, I perhaps would have been justified in telling him summarily what the Assembly had been called for; but as he has roamed all over the actions of the Allies who met at Versailles to sign a treaty of peace, and has discussed subsequent events which have flowed from that Treaty, I do not feel that at this moment I should be called upon to cover so much ground.

The Senate of Canada has expressed more than once its faith in the League of Nations. More than once it has declared that this was an experiment that should be tried for the maintenance of peace among the peoples of the world. We were without that instrument until 1919. There was no such organization in July 1914, and it seems to me that it should suffice for my honourable friend (Hon. Mr. Casgrain) to have the declaration of Lord Grey, then Sir Edward Grey, that if in July, 1914, he could have appealed to such an association of nations the Great War would probably have been prevented. This expression of opinion from a man of the standing of Lord Grey, who played so admirable a part as peacemaker at that time, is worth something. I ask my honourable friend, as I have asked him before, if he would deprive humanity of that ray of hope which has appeared from these meetings of the nations. As my honourable friend well knows, suspicion and prejudice arise from ignorance, whereas co-operation brings about amity. For the first time in the history of the world we have amity amongst the nations: we have co-operation amongst them once a year. But we have more: we have the League Council, containing the great powers, who henceforth will have the responsibility of maintaining peace in the world. Four times a year they must meet, and they can be convened once a month, or once a week, if necessary. They are close at hand, and if any dark cloud appears on the horizon they are called to examine the situation, endeavour to find a solution, and preach peace and arbitration. That is the new instrument, and I am surprised that a man who has lived through the horrors of the last war cannot see that there is something new in the world in the annual meeting of the nations, and in the meeting of the great powers every three months, or oftener if necessary, to settle those difficulties which, if they are not settled, grow into irritating problems from which emerges war. Yes, there may be other wars; yes, it is possible that that instrument may not be found sufficient for all cases; but surely, when the nations are clasping each other by the hand, there is somethting new in this world which should be welcomed by all men of good will.

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

THE SENATE

Wednesday, April 7, 1926.

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

Prayers and routine proceedings.

APPROPRIATION BILL No. 1

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 14, an Act for granting to His Majesty a certain sum of money for the public service of the financial year ending the 31st March, 1927.

Hon. Mr. McMEANS: May I ask the Postmaster General if among the Estimates, of which this is said to be one-twelfth, there is any sum providing for a grant to the strikers in the Winnipeg Post Office in 1919?

Hon. Mr. MURPHY: No.

Hon. RUFUS POPE: Honourable gentlemen, before we proceed with the third reading of this Bill I desire to express my opinion with reference to the power that is being usurped by the Government of the day. I understood in reply to my inquiry last night that if we were to pass this vote of $15,000,000 odd it would apply to each and every branch of the Service for which money will be voted in the Main Estimates. Therefore if I were to offer no objection, my action might be interpreted as meaning that I was in sympathy, at least to the extent of this $15,000,000, with the maladministration by the so-called Government of the Dominion of Canada to-day. I would not like my position to be misunderstood for a moment. I have belonged to the Liberal-Conservative party all my life, and, with the permission of this House, I would say that I have been fortunate in my inheritance. I have believed that by adhering to it for the balance of my days I might be able through the channel of that organization to render some service towards perpetuating Canada as a nation giving some permanency to its institutions. Therefore I would not like to have my position misunderstood.

A government is supposed to be an organization possessing sufficient power to carry out the pledges made by its members to the people of the country at a general election, or to promulgate policies along those lines, as time and events may justify, during the four years of its existence. We all know that the Prime Minister of to-day, before going to the far-distant and northern clime from which he has recently returned, made an announcement at Richmond Hill, in which he told me and everyone else in the Dominion of Canada, as I presume he had told the Governor General, that because he did not possess control of the House of Commons it was impossible for him successfully to administer the affairs of Canada. Therefore he went to the people of Canada asking them to give him control of the House of Commons in the name of the Liberal party, of which he was leader. He went forth, as I say, and asked the people of this country to sanction and endorse him. It is not necessary for me to take up many minutes of the time of this honourable body in pointing out that he did not get that endorsation; and one does not have to be a student to realize that if he was weak in the House of Commons during the Parliament that he dissolved last autumn, he is far weaker in that House to-day. Further, it is not difficult to prove that the majority of the electors who voted for a single party at the last election voted not for the Liberal party, but for the Liberal-Conservative party led by the Rt. Hon. Arthur Meighen. That is the fact. As for the Progressive element, which numbered some sixty odd in the last Parliament, to-day it numbers only 27 members, including all the various stripes and colours of Progressives, Labourites and Nationalists. I have lived all my life in the country, and I have witnessed many auctions and have read many auction bills enumerating the goods to be sold to the highest bidder; but never in my life have I seen a more perfect specimen of an auction bill than the Speech from the Throne which was submitted to us this year, and which evidently was dictated by those divisions which go to make up the majority of from three to nine upon which the Liberal party is dependent.

Under these circumstances, if we are to place any confidence in the word of the Prime Minister at Richmond Hill, we cannot anticipate any degree of stability of government from the present aggregation. If it was true before the election that the Government could not carry on successfully, it is doubly true to-day when it is dependent for its majority upon three or four men who fail to rise when God Save the King is sung. I am not in favour of voting one cent, either by way of interim Supply or otherwise, to be expended by such a government; and I want it to be thoroughly understood that so long as the administration of the affairs of this country is in the hands of this sort of people the Senator from Bedford refuses to sanction

the expenditure of a single dollar by casting his vote for such a Bill. Canada's indebtedness is a very serious problem. We owe to-day many millions more money than ever before, and the per capita taxation is so great that the contribution that we have to make towards the revenues of the country is a handicap to us in our development, lying as we do alongside the United States. I have no hesitation in saying that the indebtedness of Canada and the taxation of Canada will be increased under the present regime, and that if the public accounts of the country are balanced it will be by means of further increased taxation of some kind. You will find, honourable gentlemen, that they will try to worm out an apparent reduction of some kind. But we have heard that story before, and even the minimum possibility will not redound to the benefit of this country.

We find the Government offering contracts to the outside world, by means of treaties that prevent us from balancing our budget. I do not pretend to be an authority upon financial matters, but when I seek information on that subject I go to the best sources. I was told the other day that the treaties we had made with Italy and France and Spain, countries from which we import luxuries, prevented us from imposing duties on the luxuries to be consumed in this country by those who can afford to pay for them, and that thus we are deprived of at least $40,000,000 a year that might have been collected and applied in such a way as to lighten the burden of the people of Canada. If ever there was a time when $40,000,000 would be acceptable, it is to-day. We have also made treaties with Australia and New Zealand. As these treaties have been in effect for only a few months the people of those countries up to the present time have not been able to take possession of our markets to the same extent that they will in the future. The other day I was speaking to a man who controls some of the large abattoirs in Montreal. I said, "What is the news to-day?" "Well, Senator Pope," he said, " the news to-day is that I have just contracted for 2,000 lambs to be delivered in my abattoir in the month of May coming, at a price of 16½ cents a pound. The lambs that I put in last autumn were Canadian lambs, and they cost me 24 cents a pound." And this is only the commencement, the first opening of the door at a time when we require these markets ourselves. As I have said in this House, the tendency of both parties for a number of years has been towards a reduction of tariffs, a policy which has always been contrary to my judgment; and I am as well satisfied to-day as I ever was that I am right, and have been right all these years, in opposing any reduction in the protection of national industries. We have a dumping clause which might be made use of if it were not for the fact that Parliament to-day is controlled by a half a dozen men of various stripes and colours who command it to do what they wish, with the result that foreign goods are dumped into Canada and our own people are being dumped into the United States in order to obtain a living.

Now I wish to go a bit further. We had an election, and it extended to the Province of Quebec as well as to the rest of the Dominion. I had sincerely hoped that in that Province we would have a real election, and that policies would have been discussed, and that references would not have been made to things that have been. I had hoped that the time had come when the French Canadian element of our Province would be approached upon clean cut business lines, either upon a policy of free trade or of protection. I had hoped that we could have got an honest expression of public opinion from the Province of Quebec. However, those who directed affairs saw differently, and I know of no time since the war ceased when there was more appeal to prejudice and greater corruption and fraud than in the appeal made to the people of Quebec upon this occasion. That vote in Quebec no more represents the policy of the people of the Province than does the man in the moon. It is absolutely foreign to their necessities, to the development of their natural resources, to anything that makes for permanency in the Dominion of Canada and in the Province of Quebec. All you have to do is to go into our country and see the deserted homes, the farm buildings nailed up, the merchants leaving, and small places abandoned; and the priest of every parish will assure you of the truth of the statements I am making. Do you say that those people voted for a policy of that sort. Do you say that the French Canadian element, as a sane, practical people, would vote to deteriorate their condition in that way? No! They were blindfolded, they were deceived, they were mislead.

My honourable friends on the other side of the House may say: "Your ranks were divided by a third party coming in under the leadership of Mr. Patenaude." I do not say they were not; but that does not help the French Canadian of the Province of Quebec. Whether he has been deceived by the Government of to-day in the disreputable appeal they made to the people of that Province, or

whether he has been mislead by a third man running, makes no difference to the Province of Quebec; the result will be the same.

At this time, before it is too late, I want to say to the honourable leader who represents the Government of the day in this House that it is high time they took the broad view of Canada for the Canadians, in the fullest possible sense, commercial and patriotic, and for the upbuilding of the nation. If you continue on the present narrow path with whom do you coquet? You coquet with an element in the West that is in many instances, to say the least, of doubtful patriotism. I do not say that there are not patriotic men in the West; of course there are; but there is an element out in that country that is not patriotic, that is dangerous, and that very element forms a considerable portion of the small majority that the Government has to-day.

Why, honourable gentlemen, the legislation of to-day is not prepared by the Cabinet. It is submitted to a Committee of the Progressives. They read it over, they bring it back to the Cabinet, the Cabinet reads it again, and it is reread and passed around. The day of Cabinet representation and government in the Dominion of Canada is past. At the present time Cabinet administration is a farce. Instead of it we have consultation on the streets. The fellows who engaged in the strike in Winnipeg, the Reds, are consulted. The men who are inclined to preach annexation are consulted. Not only are they consulted, but the Government is absolutely in their hands, and if they cannot get what they want, then the proposed legislation is dropped; for this Government as we have it to-day can no more legislate for the good Liberals of Canada than it can legislate for the good Conservatives. That the Senate should be called upon to vote millions and millions of money to be expended at the dictation of people who will not stand up for the singing of "God Save The King", is something of which I personally cannot approve.

I will go a bit further, and then I shall have finished. Throughout the Province of Quebec the name of Arthur Meighen has been bandied around. He has been represented to the people of Quebec with blood-stained fingers, the blood of their children dripping from his hands. The honourable leader of this House (Hon. Mr. Dandurand) who had been elected to the very dignified and honourable position of President of the Assembly of the League of Nations, sailed back to Canada and came into the County of Stanstead and to Magog—he knows where it is—while that infamous campaign was going on. I do not say that he ordered it, but I say that his very presence there co-operated with that defaming campaign.

Again, it is said that Arthur Meighen made a certain speech in Hamilton. That was on his own account. He stated certain things that he would do in the event of war, if he commanded power. He said that he would refer to the people. Let me point out that there is a great difference between a speech by the Right Hon. Arthur Meighen, or any other man who may lead the Conservative party, and the speech of the leader of the Liberal party. Never forget that the Liberal-Conservative party is founded upon inherited traditional principles. We are not founded upon the capricious mentality of any leader, no matter who he may be—I am not reflecting upon the Right Hon. Arthur Meighen or anybody else—but we have fundamental principles, we submit them to the people, as we have done for 40 years, and never in our existence, when we have been returned to power, have we failed to put those principles into force at the first Session of the first Parliament after the election. You cannot contradict that statement. The Liberal party go forth into the country, and they howl one thing in one province, another thing in another province, and something different again in every other one of the nine provinces, and that is about the last we hear of their promises, even though they come back to Parliament. Therefore a particular statement by their leader is very important to them. What our leader says is important to himself.

I have one or two words to say with regard to this war proposition. The experience of the late war, which was a very serious one for all of us, has had a salutary effect on those people who represent the Anglo-Saxon mentality throughout this world. The war came like a bolt from the blue. We hardly knew what we were to do, or when we were to do it. Governments had to take action. Governments compelled this, and Governments compelled that. I am gratified to be able to say that there exists in Canada and throughout the wide world an organization representing the Anglo-Saxon mentality, the loyal, patriotic, imperial sentiment of the Anglo-Saxon people and of those people who are allied with them, and if war sprang up to-morrow and the Motherland was threatened, there would be a million men ready, without waiting for the Government of Canada, or the Government of the United States or elsewhere, to march forward to the ocean and sail across the Atlantic to defend the Motherland against any attack, no matter whence it

came. The man who stands up to-day to play this miserable little game of politics that is played in our Province and in other places will not be in evidence. He may stay here and harp away as long as he likes. Old England, the mother of our Empire, the mother of our liberty—the mother of the world's liberty, if you like—never again will be allowed to be attacked. Never again will she be obliged or expected to call upon the offspring in the different parts of the world who do not desire to go to her rescue. They may all stay at home. There will be plenty of men ready to fight her battles. And when the fight is over the soldiers will remain, as true men ought to remain, in the country that made the trouble, and will there levy taxation upon the people, so that those who made the trouble will pay the bills. Our organization is supreme; it is world-wide; we have no fear.

So I do not care about the little game of politics you are playing. It is not honourable for you to play it. It is not fair to your people, when you have great events requiring attention and action on your part. However, if it amuses you to play that game, do not ask me for money to support you. You may fool away in this Parliament long enough to create a sentiment in favour of a dictatorship. That sentiment is being created to-day, and I say without hesitation that the time may arrive, and may not be far distant, when a dictatorship for Canada may be the only escape. If we were discussing dictatorships a few years ago we would not have included Canada with European countries—Italy, Spain, Greece, Rumania, etc. I tell you frankly and honestly that you must give this country relief by wise, constructive legislation; you must remove from political agitation those elements of dissention; you must unite the two nationalities, French and English, on the common ground of commerce and trade. If you fail to do that, permit me to say to this honourable body, you will be surprised at how early a period in the future of Canada the form of responsible Government will change from what it is to-day.

I do not suppose it is of any use, honourable gentlemen, for me to say more. I cannot tell you that I intend voting against this Bill; I shall not have a chance to vote, because there are not enough honourable members who will rise and demand that a vote be taken; but I wish to record my absolute opposition to the granting of a single dollar to an administration that has failed to administer—an administration that is inefficient, full of intrigue, and surrounded with corruption.

Hon. R. DANDURAND: I would like simply to remind my honourable friend that he has lived long enough to know that prosperity and adversity come in cycles in this country. We are moving on towards more prosperous times. All the statements of bankers and financiers are to the same effect. I would like to comfort my honourable friend from Bedford (Hon. Mr. Pope) by telling him that after obtaining a certain perspective abroad, one finds on returning to this country that, if it is not the happiest country in the world, it is by comparison a very happy country. And I would like to remind him that the good old Province of Quebec, from which he hails, like myself, is the envy of other provinces and states nearby; that it is prosperous; that it knows when it has a good Government. The Province of Quebec has maintained one since 1897. We have shown surpluses year by year. Our trade is improving throughout the Province. Strangers flock to our cities, which are growing. The population of Montreal, the metropolis, is increasing by 50,000 a year, and large hotels are being built to receive visitors, who feel happy in our midst.

I may tell my honourable friend that this Supply Bill shows a considerable improvement in the matter of reductions. The first paper that I laid my hand upon when last Saturday I returned to Montreal from abroad, was that of a confrere of ours, the Montreal Gazette, and it commended the Supply Bill for showing considerable reductions in many respects.

Our exports are increasing. Apparently there are some people who are working. Yes, there are some who are unemployed, but the people generally, whether on the farm or in the shop, are working diligently, and I am convinced that from month to month and from year to year the reports will continue to show improvement and conditions in Canada will be a source of great satisfaction to our people.

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

PRIVATE BILL

FIRST READING

Bill A, an Act to provide for changing the names of certain Pension Fund Societies.—Hon. Mr. Béique.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Governor-General's Secretary ac-

quainting him that the Right Hon. F. A. Anglin, acting as Deputy of the Governor-General, would proceed to the Senate Chamber at 4.15 o'clock for the purpose of giving the Royal Assent to the Interim Supply Bill.

The Senate adjourned during pleasure.

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

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

The House of Commons withdrew.

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

The sitting was resumed.

The Senate adjourned until Tuesday next at 8 p.m.

THE SENATE

Tuesday, April 13, 1926.

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

Prayers and routine proceedings.

NATIONAL TRANSCONTINENTAL RAILWAY—GRAIN SHIPMENTS

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. What quantities of grain were hauled over the National Transcontinental Railway during each of the last five years?

2. From what points and to what destinations was the grain hauled?

3. What were the rates of freight charged in respect to such grain?

Hon. Mr. DANDURAND:

In reply to the first question I have a statement, as follows:

Crop Year (a)	Wheat Bushels	Oats Bushels	Barley Bushels	Flax Bushels	Rye Bushels	Total Bushels
1920-1	306,149	882,522	55,552	....	40,147	1,284,370
1921-2	3,306	256,835	113,983	....	....	374,124
1922-3	826,972	1,543,945	117,906	25,756	....	2,514,579
1923-4(b)	806,910	3,216,406	159,081	10,317	2,933	4,195,647
1924-5(c)	21,356	579,600	9,593	2,450	....	613,179

(a) Crop year, September 1 to August 31.

(b) Crop year period (11 months), September 1 to July 31.

(c) Crop year, August 1 to July 31.

In regard to questions 2 and 3, Canadian National Railway officials state that it would be necessary to examine each individual record of all shipments over the Transcontinental railway for the last five years in order to secure the information called for by these questions. If my honourable friend wanted that work to be done he would have to move for an address.

RETURN OF DIVORCE CASE EXHIBITS

MOTION

Hon. Mr. WILLOUGHBY moved:

That the Committee on Divorce be authorized to consider and report upon an application for the return of Exhibits Nos. 4 and 5 filed at the hearing and enquiry into the petition of Albert Plue Jessop praying for a Bill of Divorce.

The motion was agreed to.

SERVICE OF CRUISER GRIB

MOTION FOR RETURN

Hon. Mr. TANNER moved:

That an order of the House do issue for a return in respect to the cruiser "Grib," employed in the service of the Department of Customs and Excise, showing for each month respectively of the period since January 1, 1925:—

(a) The sea district which said cruiser patrolled.

(b) The ports which she entered, and the time she remained in each port.

(c) The number of seizures made, and generally what each consisted of.

(d) The locality in which each seizure was made, and the name of the vessel carrying the goods seized, and the port of registry of such vessel.

(e) How the matter of each seizure was disposed of—this to state what was done in regard to vessel and goods, respectively.

2. The cost of the said cruiser to the country during each of the said months.

The motion was agreed to.

DEPORTATION OF CHINAMAN

MOTION FOR PAPERS

Hon. Mr. GIRROIR moved:

For a copy of all papers on file in the Department of Immigration and Colonization relating to the case of the King vs. Jungo Lee, a Chinaman about to be deported.

The motion was agreed to.

PENSION FUND SOCIETIES BILL

SECOND READING

Hon. Mr. BEIQUE moved the second reading of Bill A, an Act to provide for changing the names of certain Pension Fund Societies.

He said: Honourable gentlemen, this is a Bill to enable Pension Fund Societies to change their names by by-law or resolution, with the consent of the Secretary of State. When the Secretary of State has approved of the change there is to be publication of the change in the Canada Gazette. This is in accord with a like provision in the Companies Act.

Hon. W. B. ROSS: I would like to ask the honourable gentleman about clause 2. Suppose the Secretary of State does not agree to the name submitted to him, then he may give another name. Will that other name be subject to the approval of the contributors? Would it not be better that they should assent to one name as being preferable, and then indicate their second and third choices?

Hon. Mr. BEIQUE: It is the same provision that is contained in the Companies Act. It is only in case the name suggested is objectionable or is in conflict with another name—

Hon. W. B. ROSS: It is left to the Secretary of State in that case. The contributor has nothing to do with it.

Hon. Mr. BELCOURT: It is the same in regard to companies.

Hon. Mr. BEIQUE: When the Bill is taken up in Committee we can discuss that.

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

DIVORCE BILLS

FIRST READINGS

Bill B, an Act for the relief of Elizabeth Gertrude Orr.—Hon. Mr. Willoughby.

Bill C, an Act for the relief of Melville James Andrews.—Hon. Mr. Willoughby.

Bill D, an Act for the relief of Harry Reginald Oddy.—Hon. Mr. Willoughby.

Bill E, an Act for the relief of Mildred Roxie Horner.—Hon. Mr. Willoughby.

Bill F, an Act for the relief of Frances Muriel Burnet.—Hon. Mr. Willoughby.

Bill G, an Act for the relief of Ada Toms.—Hon. Mr. Willoughby.

Bill H, an Act for the relief of Vera Sanderson.—Hon. Mr. Schaffner.

Bill I, an Act for the relief of Noel Leslie Deuxbury.—Hon. Mr. Schaffner.

Bill J, an Act for the relief of Lillian May O'Reilly.—Hon. Mr. Schaffner.

Bill K, an Act for the relief of Jean Victoria Dillane.—Hon. Mr. Schaffner.

Bill L, an Act for the relief of Ethel Alberta Barker.—Hon. Mr. Schaffner.

Bill M, an Act for the relief of Annie Hazel McCausland.—Hon. Mr. Schaffner.

Bill N, an Act for the relief of Sterling LeRoy Spicer.—Hon. Mr. Schaffner.

Bill O, an Act for the relief of Amy Bell Corney.—Hon. Mr. Schaffner.

Bill P, an Act for the relief of David Frank Crosier.—Hon. Mr. Schaffner.

Bill Q, an Act for the relief of Ethel Gildea Nye Brown.—Hon. Mr. Schaffner.

Bill R, an Act for the relief of Edward Thomas Faragher.—Hon. Mr. Schaffner.

Bill S, an Act for the relief of Bertha Viola Lidkea.—Hon. Mr. Haydon.

Bill T, an Act for the relief of Mike Ayoub (otherwise known as Michael Ayoub)—Hon. Mr. Haydon.

Bill U, an Act for the relief of Alice Marion McGinley.—Hon. Mr. Haydon.

Bill V, an Act for the relief of Harold Edgar Perinchief.—Hon. Mr. Haydon.

Bill W, an Act for the relief of Hendel Tuerner Lubrinetsky.—Hon. Mr. Haydon.

Bill X, an Act for the relief of Paul Hugh Turnbull.—Hon. Mr. Haydon.

Bill Y, an Act for the relief of Helen Elby Pollington.—Hon. Mr. Haydon.

Bill Z, an Act for the relief of Alexander Stewart.—Hon. Mr. Haydon.

Bill A2, an Act for the relief of William Melville Moore.—Hon. Mr. Haydon.

Bill B2, an Act for the relief of John Samuel Milligan.—Hon. Mr. Haydon.

Bill C2, an Act for the relief of Marion Richardson. Hon. Mr. Haydon.

Bill D2, an Act for the relief of Isadore Boadner.—Hon. Mr. Haydon.

Bill E2, an Act for the relief of William Albert Thomas.—Hon. Mr. Haydon.

Bill F2, an Act for the relief of Gertrude Isabel Clark.—Hon. Mr. Haydon.

Bill G2, an Act for the relief of Helen Seymour O'Connor.—Hon. Mr. Haydon.

Bill H2, an Act for the relief of Yetta Selma Trachsell.—Hon. Mr. Haydon.

Bill I2, an Act for the relief of Alexander Dewar.—Hon. Mr. Haydon.

Bill J2, an Act for the relief of Florence Burrell.—Hon. Mr. Haydon.

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

THE SENATE

Wednesday, April 14, 1926.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill K2, an Act for the relief of Edith Marion Byam.—Hon. Mr. Mulholland.

Bill L2, an Act for the relief of Charles Davidson.—Hon. Mr. Mulholland.

Bill M2, an Act for the relief of Doris Selina Irvin.—Hon. Mr. Mulholland.

Bill N2, an Act for the relief of Frank John Davis.—Hon. Mr. Mulholland.

Bill O2, an Act for the relief of John Norman Smith McMurray.—Hon. Mr. Fisher.

Bill P2, an Act for the relief of Archie Claire McIntyre.—Hon. W. B. Ross.

Bill Q2, an Act for the relief of Mabel Elizabeth Harcourt.—Hon. Mr. Pope.

Bill R2, an Act for the relief of Louise Gordon Pook.—Hon. Mr. Pope.

Bill S2, an Act for the relief of Ezillah Harriet Cole.—Hon. Mr. Pope.

Bill T2, an Act for the relief of Gertrude Burnside.—Hon. J. H. Ross.

Bill U2, an Act for the relief of Cora Mae Murray.—Hon. Mr. Pardee.

Bill V2, an Act for the relief of Janet Thornhill Gorrie.—Hon. Mr. Pardee.

Bill W2, an Act for the relief of Lillian Du-Bord Bulloch.—Hon. Mr. Smeaton White.

Bill X2, an Act for the relief of Henrietta Schierholtz.—Hon. Mr. Taylor.

Bill Y2, an Act for the relief of Maude Elizabeth Gilroy.—Hon. Mr. Taylor.

Bill Z2, an Act for the relief of Richard Howard Buckley.—Hon. Mr. Taylor.

Bill A3, an Act for the relief of George William Darlington.—Hon. Mr. Taylor.

Bill B3, an Act for the relief of Arthur Watson.—Hon. Mr. Taylor.

Bill C3, an Act for the relief of Frances Marjorie Warren.—Hon. Mr. Taylor.

Bill D3, an Act for the relief of Charles Douglas Palmer.—Hon. Mr. Robertson.

Bill E3, an Act for the relief of Beatrice Isobel Lamontagne.—Hon. Mr. Robertson.

Bill F3, an Act for the relief of Jane Johnston Mitchell Wells.—Hon. Sir Edward Kemp.

Bill G3, an Act for the relief of Jeremiah Gibbs.—Hon. Mr. Smith.

Bill H3, an Act for the relief of Caroline Elizabeth Risbridger.—Hon. Mr. Smith.

Bill J3, an Act for the relief of Cassie Woodley.—Hon. Mr. Haydon.

Bill K3, an Act for the relief of Isabella Freeman.—Hon. Mr. Lewis.

CANADA EVIDENCE BILL. EVIDENCE OF PERSONS CHARGED WITH OFFENCES

FIRST READING

Bill I3, an Act to amend the Canada Evidence Act as regards the evidence of persons charged with offences.—Hon. Mr. McMeans.

SITTINGS OF THE SENATE

Hon. Mr. DANDURAND: I desire to give notice that I will move to-morrow that when the Senate adjourns on that day it do stand adjourned till Tuesday the 4th of May next, at 8 p.m.

With the leave of the House I would like to refer to the fact that surprise is sometimes expressed in the press of Canada at the adjournments of the Senate. On that point I would say that, for its regular work, this Parliament began sitting on the 15th of March. It was summoned for the 7th of January, and all honourable gentlemen know why it was called so early in the year. What did take place, rather in the other Chamber than in this one, was what I would call a prologue, a curtain-raiser to the real act, which is that of legislating for the good of the country. This work, as I said, practically started on the 15th of March, and I am informed, as are the other members of this Chamber, that the Budget Speech will be delivered to-morrow. I surmise, therefore, that there will be nothing coming to us before the 4th of May next, when we shall be here in time to receive all legislation that may come before the House of Commons and give it serious attention.

We must not forget, however, that a month passes very rapidly in Parliament, and that May is followed by June, and I entertain a strong hope that Parliament will prorogue before the 1st of July. As I have had occasion to say before, we who have passed

the meridian of life feel that our hours are becoming fewer and that we are entitled to enjoy part of the summer months elsewhere rather than in the chambers of Parliament.

Hon. Mr. McMEANS: Perhaps the honourable gentleman can inform us if we may really expect any legislation from the Government on the 4th of May.

Hon. Mr. SCHAFFNER: Or any time this Session.

Hon. Mr. DANDURAND: Well, I would ask my honourable friends, who seem to have some near friends within Parliament—and that means the two branches—to confer with some of those friends, because I have always been under the impression that while the Government could fix the date of the calling of Parliament the Opposition fixed the date of the closing.

Hon. Mr. GORDON: Can my honourable friend assure us that the ship of state has not foundered?

Hon. Mr. DANDURAND: I would answer my honourable friend in the words of an amusing remark made by the Right Hon. Charles J. Doherty, who was Minister of Justice. He said that democracy had a very queer way of dealing with the affairs of state —that every four years it goes to the polls and decides—sometimes in a very clear tone, and sometimes less so—who are the men to administer the affairs of the country for the four following years. Then those men select a crew with a staff of officers for the ship of state—a commandant, a pilot, and an entire crew—and give them charge of the ship. So far so good; but it does not stop at that. It then puts another crew on the same ship, and says to them, "Boys, give those other fellows hell!"

Hon. Mr. BELCOURT: Honourable gentlemen, may I be permitted to talk seriously for two minutes? I have no doubt whatever of the good intentions of our leader. I think he is always ready to maintain the dignity of the Senate and to see that it receives the consideration to which it is entitled. I wish only to repeat what has been so often said, that it is a great pity that the Government of the day, whether Liberal or Conservative—

Hon. Mr. GORDON: Or Progressive.

Hon. Mr. BELCOURT: —always ignores the Senate so that legislation is sent to us only after it has passed the House of Commons. We have time and again protested against this, and I wish to do so once more. In order to give my honourable friend an opportunity to try to put into practice what we contend for, I wish to mention one piece of legislation which will soon be before Parliament, and which might very well be introduced first into this House. It is going to be a long measure and will require a great deal of consideration, and it should receive the mature judgment of this Chamber. I refer to the Rural Credits Bill.

My honourable friend may say that it is a measure affecting the finances of the country. Well, from past experience I am led to believe that measures of that kind are much better first submitted to the scrutiny and criticism of the Senate. Here is an opportunity of which my honourable friend might well avail himself when we meet again.

Hon. Mr. DANDURAND: Honourable gentlemen, the answer given to me, I will not say from what source, when I suggested that some Bills should come to this Chamber first —and I mentioned the Rural Credits Bill— was this: "Surely you are not serious; the Commons want to see it, and it is not certain that if it is introduced first in the Senate it will reach the other Chamber. The Rural Credits Bill is a very important piece of legislation, and it has been decided by the Government that it should be first discussed by the popular branch. I need not give all the reasons that prompted the Government to so decide; but I would suggest to my honourable friend the senior member for Ottawa (Hon. Mr. Belcourt) and all the other members of the Senate that during this short adjournment, which I suggest should start from to-morrow, they make a point of reading the two reports of Dr. Tory on Rural Credits. I had simply glanced at those reports, but while crossing the Atlantic recently I read and absorbed them, to my great profit. I am sure that we shall approach that legislation with far greater knowledge and wisdom from the reading of those two reports than if we took it up without any preparation. I make that suggestion because there is in those reports the foundation for a good piece of legislation which will do honour to this Parliament. Such legislation has been on the Statute books of many important countries, and it seems to be admitted that something must be done in the way of meeting the needs of the farming community.

We shall await what the farming community, through their direct representatives in the popular Chamber, have to say on the legislation which will come before them. It will be our right and our duty to review it. It is important in what it purports to do, and important in relation to the general finances of the country. I do not know the extent of the load which it will place upon

the Federal exchequer, but I would urge my honourable friend, who has already devoted some time to the study of this question of rural credits, and who made a most interesting contribution to the discussion last year, and also all honourable gentlemen who have not yet read those two reports to do so before we return.

Hon. Mr. BEIQUE: If I understand the Rural Credits Bill, it is a financial Bill, and would not be introduced here. Under the constitution it has to be introduced in the House of Commons.

Hon. Mr. BELCOURT: I do not take that view at all. I do not see why it may not be introduced here. It is not necessary to introduce it in the other House. Surely we can consider a Bill of that kind, even if it involves financial dispositions, and it would be for the House of Commons later on to say whether or not they will adopt the financial burdens imposed thereby. There is no reason why, in the meantime, this House should not consider that Bill or any other, even though there are financial considerations involved.

Hon. Mr. DANDURAND: I do not think my honourable friend is right. I think we could discuss the matter academically on a motion of resolution, but when it comes to the Bill itself, it must be introduced in the other Chamber.

Hon. Mr. WILLOUGHBY: I think my honourable friend would aid us greatly if he would expedite the proposed Bill. I looked through the reports of Dr. Tory fairly thoroughly when they appeared, but if the newspaper reports are correct the proposed Bill departs radically from the recommendations of Dr. Tory. It is perfectly true that he discussed the subject rather fully, but he arrives at conclusions far different from his own recommendations, if press reports can be relied upon.

Hon. Mr. McMEANS: It will probably happen that just as the Session is about to close these Bills will be thrown into this Chamber, and we shall not have an opportunity to do anything with them, as has been the case in other Sessions.

Hon. Mr. DANDURAND: My honourable friend can rely on the leader of this House not pressing a Bill of that importance if it comes in during the last days of the Session. We would have occasion to meet again in January next.

Hon. Mr. TANNER: I do not think there is any rule of Parliament to prevent that Bill being introduced into both Houses simultaneously, although it may be a very unusual thing to do. I would suggest to my honourable friend that he consider the question.

CANADIAN NATIONAL RAILWAYS—TONNAGE AT PORTLAND, MAINE

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Is there a contract of any kind existing between the Canadian National Railways and any person or Company in respect to the delivery by the National Railways of tonnage for export at Portland, Maine?
2. With whom is said contract made?
3. What is the date of the contract, and when will it expire?
4. Does the contract cover tonnage in general or only relate to specific classes of goods or products? If to specific classes of goods or products, what are the classes?

Hon. Mr. DANDURAND:

1. No.
2. Answered by No. 1.
3. Answered by No. 1.
4. Answered by No. 1.

PENSION FUND SOCIETIES BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Béique, the Senate went into Committee on Bill A, an Act to provide for changing the names of certain Pension Fund Societies.

Hon. Mr. Robinson in the Chair.

The Bill was reported without amendment.

DIVORCE BILLS

SECOND READINGS

Bill B, an Act for the relief of Elizabeth Gertrude Orr.—Honourable Mr. Willoughby.

Bill C, an Act for the relief of Melville James Andrews.—Honourable Mr. Willoughby.

Bill D, an Act for the relief of Harry Reginald Oddy.—Honourable Mr. Willoughby.

Bill E, an Act for the relief of Mildred Roxie Horner.—Honourable Mr. Willoughby.

Bill F, an Act for the relief of Frances Muriel Burnet.—Honourable Mr. Willoughby.

Bill G, an Act for the relief of Ada Toms.—Honourable Mr. Willoughby.

Bill H, an Act for the relief of Vera Sanderson.—Honourable Mr. Schaffner.

Bill I, an Act for the relief of Noel Leslie Deuxbury.—Honourable Mr. Schaffner.

Bill J, an Act for the relief of Lillian May O'Reilly.—Honourable Mr. Schaffner.

Bill K, an Act for the relief of Jean Victoria Dillane.—Honourable Mr. Schaffner.

Bill L, an Act for the relief of Ethel Alberta Barker.—Honourable Mr. Schaffner.

Bill M, an Act for the relief of Annie Hazel McCausland.—Honourable Mr. Schaffner.

Bill N, an Act for the relief of Sterling Le Roy Spicer.—Honourable Mr. Schaffner.

Bill O, an Act for the relief of Amy Bell Corney.—Honourable Mr. Schaffner.

Bill P, an Act for the relief of David Frank Crosier.—Honourable Mr. Schaffner.

Bill Q, an Act for the relief of Ethel Gildea Nye Brown.—Honourable Mr. Schaffner.

Bill R, an Act for the relief of Edward Thomas Faragher.—Honourable Mr. Schaffner.

Bill S, an Act for the relief of Bertha Viola Lidkea.—Honourable Mr. Haydon.

Bill T, an Act for the relief of Mike Ayoub, otherwise known as Michael Ayoub.—Honourable Mr. Haydon.

Bill U, an Act for the relief of Alice Marion McGinley.—Honourable Mr. Haydon.

Bill V, an Act for the relief of Harold Edgar Perinchief.—Honourable Mr. Haydon.

Bill W, an Act for the relief of Hendel Tuerner Lubrinetsky.—Honourable Mr. Haydon.

Bill X, an Act for the relief of Paul Hugh Turnbull.—Honourable Mr. Haydon.

Bill Y, an Act for the relief of Helen Elby Pollington.—Honourable Mr. Haydon.

Bill Z, an Act for the relief of Alexander Stewart.—Honourable Mr. Haydon.

Bill A2, an Act for the relief of William Melville Moore.—Honourable Mr. Haydon.

Bill B2, an Act for the relief of John Samuel Milligan.—Honourable Mr. Haydon.

Bill C2, an Act for the relief of Marion Richardson.—Honourable Mr. Haydon.

Bill D2, an Act for the relief of Isadore Boadner.—Honourable Mr. Haydon.

Bill E2, and Act for the relief of William Albert Thomas.—Honourable Mr. Haydon.

Bill F2, an Act for the relief of Gertrude Isabel Clark.—Honourable Mr. Haydon.

Bill G2, an Act for the relief of Helen Seymour O'Connor.—Honourable Mr. Haydon.

Bill H2, an Act for the relief of Yetta Selma Trachsell.—Honourable Mr. Haydon.

Bill I2, an Act for the relief of Alexander Dewar.—Honourable Mr. Haydon.

Bill J2, an Act for the relief of Florence Burrell.—Honourable Mr. Haydon.

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

14015—3

THE SENATE

Thursday, April 15, 1926.

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

Prayers and routine proceedings.

ADJOURNMENT OF THE SENATE

MOTION

Hon. Mr. DANDURAND moved:

That when the Senate adjourns to-day it do stand adjourned until May 4th next, at 8 p.m.

The motion was agreed to.

NATIONAL TRANSCONTINENTAL RAILWAY—GRAIN HAULED

MOTION FOR RETURN

Hon. Mr. TANNER: Honourable gentlemen, the House having decided not to meet to-morrow, I ask leave to move the motion which appears in my name on to-morrow's Order Paper. It is:

That an order of the House do issue;

For a return in respect to grain hauled over the National Transcontinental Railway during each of the years (crop years) 1923-4, and 1924-5, showing

(a) From what points and to what destinations the grain was hauled, and

(b) The rates of freight charged in respect to such grain.

Hon. Mr. DANDURAND: I do not know how long it will take to get this information or what labour it will involve, but naturally I agree to the motion of my honourable friend. Sometimes the information asked for by a member is so voluminous and so costly to compile that, in order to save cost to the country, the member is requested to look into the records for himself. I do not know whether this is such a case or not, but I remind my honourable friend of that procedure because I know he is as desirous as I am of reducing the cost to the country of any return asked for.

Hon. Mr. TANNER: I may explain to my honourable friend that I have made the motion to cover only the two years, and this morning the Department of Railways informed me that there would be no difficulty in getting the information I want.

The motion was agreed to.

DIVORCE BILLS

FIRST, SECOND AND THIRD READINGS

Bill L3, an Act for the relief of George Guthrie.—Hon. Mr. Fisher.

Bill M3, an Act for the relief of Lily Stead. —Hon. Mr. Fisher.

Bill N3, an Act for the relief of Alice Grace Hopkins.—Hon. Mr. Fisher.

Bill O3, an Act for the relief of Vera Catherine Searle.—Hon. G. V. White.

Bill P3, an Act for the relief of Sidney Charles Frost.—Hon. G. V. White.

THIRD READINGS

Bill B, an Act for the relief of Elizabeth Gertrude Orr.—Hon. Mr. Willoughby.

Bill C, an Act for the relief of Melville James Andrews.—Hon. Mr. Willoughby.

Bill D, an Act for the relief of Harry Reginald Oddy.—Hon. Mr. Willoughby.

Bill E, an Act for the relief of Mildred Roxie Horner.—Hon. Mr. Willoughby.

Bill F, an Act for the relief of Frances Muriel Burnet.—Hon. Mr. Willoughby.

Bill G, an Act for the relief of Ada Toms. —Hon. Mr. Willoughby.

Bill H, an Act for the relief of Vera Sanderson.—Hon. Mr. Schaffner.

Bill I, an Act for the relief of Noel Leslie Deuxbury.—Hon. Mr. Schaffner.

Bill J, an Act for the relief of Lillian May O'Reilly.—Hon. Mr. Schaffner.

Bill K, an Act for the relief of Jean Victoria Dillane.—Hon. Mr. Schaffner.

Bill L, an Act for the relief of Ethel Alberta Barker.—Hon. Mr. Schaffner.

Bill M, an Act for the relief of Annie Hazel McCausland.—Hon. Mr. Schaffner.

Bill N, an Act for the relief of Sterling LeRoy Spicer.—Hon. Mr. Schaffner.

Bill O, an Act for the relief of Amy Bell Corney.—Hon. Mr. Schaffner.

Bill P, an Act for the relief of David Frank Crosier.—Hon. Mr. Schaffner.

Bill Q, an Act for the relief of Ethel Gildea Nye Brown.—Hon. Mr. Schaffner.

Bill R, an Act for the relief of Edward Thomas Faragher.—Hon. Mr. Schaffner.

Bill S, an act for the relief of Bertha Viola Lidkea.—Hon. Mr. Haydon.

Bill T, an Act for the relief of Mike Ayoub, otherwise known as Michael Ayoub.—Hon. Mr. Haydon.

Bill U, an Act for the relief of Alice Marion McGinley.—Hon. Mr. Haydon.

Bill V, an Act for the relief of Harold Edgar Perinchief.—Hon. Mr. Haydon.

Bill W, an Act for the relief of Hendel Tuerner Lubrinetsky.—Hon. Mr. Haydon.

Bill X, an Act for the relief of Paul Hugh Turnbull.—Hon. Mr. Haydon.

Bill Y, an Act for the relief of Helen Elby Pollington.—Hon. Mr. Haydon.

Bill Z, an Act for the relief of Alexander Stewart.—Hon. Mr. Haydon.

Bill A2, an Act for the relief of William Melville Moore.—Hon. Mr. Haydon.

Bill B2, an Act for the relief of John Samuel Milligan.—Hon. Mr. Haydon.

Bill C2, an Act for the relief of Marion Richardson.—Hon. Mr. Haydon.

Bill D2, an Act for the relief of Isadore Boadner.—Hon. Mr. Haydon.

Bill E2, an Act for the relief of William Albert Thomas.—Hon. Mr. Haydon.

Bill F2, an Act for the relief of Gertrude Isabel Clark.—Hon. Mr. Haydon.

Bill G2, an Act for the relief of Helen Seymour O'Connor.—Hon. Mr. Haydon.

Bill H2, an Act for the relief of Yetta Selma Trachsell.—Hon. Mr. Haydon.

Bill I2, an Act for the relief of Alexander Dewar.—Hon. Mr. Haydon.

Bill J2, an Act for the relief of Florence Burrell.—Hon. Mr. Haydon.

SECOND AND THIRD READINGS

Bill K2, an Act for the relief of Edith Marion Byam.—Hon. Mr. Mulholland.

Bill L2, an Act for the relief of Charles Davidson.—Hon. Mr. Mulholland.

Bill M2, an Act for the relief of Doris Selina Irvin.—Hon. Mr. Mulholland.

Bill N2, an Act for the relief of Frank John Davis.—Hon. Mr. Mulholland.

Bill O2, an Act for the relief of John Norman Smith McMurray.—Hon. Mr. Fisher.

Bill P2, an Act for the relief of Archie Claire McIntyre.—Hon. W. B. Ross.

Bill Q2, an Act for the relief of Mabel Elizabeth Harcourt.—Hon. Mr. Pope.

Bill R2, an Act for the relief of Louise Gordon Pook.—Hon. Mr. Pope.

Bill S2, an Act for the relief of Elizabeth Harriet Cole.—Hon. Mr. Pope.

Bill T2, an Act for the relief of Gertrude Burnside.—Hon. J. H. Ross.

Bill U2, an Act for the relief of Cora Mae Murray.—Hon. Mr. Pardee.

Bill V2, an Act for the relief of Janet Thornhill Gorrie.—Hon. Mr. Pardee.

Bill W2, an Act for the relief of Lillian DuBord Bulloch.—Hon. Smeaton White.

Bill X2, an Act for the relief of Henrietta Schierholtz.—Hon. Mr. Taylor.

Bill Y2, an Act for the relief of Maude Elizabeth Gilroy.—Hon. Mr. Taylor.

Bill Z2, an Act for the relief of Richard Howard Buckley.—Hon. Mr. Taylor.

Bill A3, an Act for the relief of William George Darlington.—Hon. Mr. Taylor.

Bill B3, an Act for the relief of Arthur Watson.—Hon. Mr. Taylor.

Bill C3, an Act for the relief of Frances Marjorie Warren.—Hon. Mr. Taylor.

Bill D3, an Act for the relief of Charles Douglas Palmer.—Hon. Mr. Robertson.

Bill E3, an Act for the relief of Beatrice Isobel Lamontagne.—Hon. Mr. Robertson.

Bill F3, an Act for the relief of Jane Johnston Mitchell Wells.—Hon. Sir Edward Kemp.

Bill G3, an Act for the relief of Jeremiah Gibbs.—Hon. Mr. Smith.

Bill H3, an Act for the relief of Caroline Elizabeth Risbridger.—Hon. Mr. Smith.

Bill J3, an Act for the relief of Cassie Woodley.—Hon. Mr. Haydon.

Bill K3, an Act for the relief of Isabella Freeman.—Hon. Mr. Lewis.

PENSION FUND SOCIETIES BILL

THIRD READING

Bill A, an Act to provide for changing the names of certain Pension Fund Societies.—Hon. Mr. Béique.

The Senate adjourned until Tuesday, May 4, at 8 p.m.

THE SENATE

Tuesday, May 4, 1926.

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

Prayers and routine proceedings.

MACHINE GUNS FOR 49th BATTALION

INQUIRY

Hon. Mr. GRIESBACH inquired of the Government:

It is alleged that in 1915 the citizens of Edmonton subscribed the sum of $5,000 for the purpose of purchasing machine guns for the 49th Battalion; that such funds were forwarded to the Department of Militia and Defence at Ottawa; and that the said Battalion was not supplied with any machine guns out of these funds.

What disposition was made of these funds by the Government?

Hon. Mr. DANDURAND: The sum of $4,000 was donated by the citizens of Edmonton for the purchase of machine guns, and the Government purchased the necessary machine guns for the troops at the front.

EXPERIMENTAL FARMS AND EXHIBITIONS IN QUEBEC

INQUIRY

Hon. Mr. POPE inquired of the Government:

1. What is the annual expenditure and revenue of the Lennoxville Experimental Farm, the Ste. Anne Experimental Farm, and the Pont Rouge Experimental Farm?

2. What salaries are paid annually on the Pont Rouge Experimental Farm, and to whom?

3. What is the auto service expense on each farm?

4. What amount of money was granted to Sherbrooke, Three Rivers and Quebec exhibitions?

5. Have the Government any representatives on any of those boards; if so, who, and what salary do they receive, and is the salary paid by the exhibitions or by the Government?

Hon. Mr. DANDURAND:

1. For the year ending March 31, 1925:

Lennoxville	Ste. Anne	*Cap Rouge
Total Revenues—		
$15,539.74	$ 5,267.48	$11,653.25
Salaries and wages—		
32,861.71	28,869.02	43,312.87
Other expenses—		
21,010.32	16,256.45	34,291.13
Buildings and repairs—		
5,277.23	5,811.04	12,888.53
Total expenditures—		
59,149.26	50,936.51	90,492.53

*The revenues and expenditures for Cap Rouge also include the horse farm at St. Joachim, which is operated under the Superintendent at Cap Rouge.

2.

Geo. Atkins	$1,260
E. P. Bacon	1,020
Alf. Gaboury	1,260
Alp. Gaboury	1,080
G. Langelier	660
M. P. Langelier	660
G. A. Langelier	2,460
C. P. Nolan	1,020
E. G. Paradis	1,260
F. X. Robitaille	1,500
J. M. Savard	1,200
O. Trudel	1,080

The above are for the year ending March 31, 1925.

3. Lennoxville: $185.86, including gas, oil, tires, renewals and repairs.

Ste. Anne Farm: gas and oil, $145.50; renewals, $37.95; license, $24.20. Total, $207.65. Total mileage, 5,588.

Ste. Anne Laboratory: $158.44. Total mileage, 3,000.

Cap Rouge: Ford auto delivery wagon, $167.40. There is no government-owned passenger car at this farm. The usual mileage allowance is made to the Superintendent for the use of his personal car whenever necessary for farm purposes. The following figures are for the year ending March 31, 1926: total mileage, 7,367; total cost, $957.91.

4. Fiscal year 1925-26:

Sherbrooke—$5,000 grant; $852.50 special prizes.

Three Rivers—$5,000 grant.

Quebec—$8,000 grant.

5. Yes. Dr. G. A. Langelier, Superintendent of the Experimental Station, Cap Rouge, Que., represents the Federal Department of Agriculture on the Quebec Exhibition Commission. Dr. Langelier receives no additional salary from the Department for acting in this capacity, and the Department has no knowledge as to whether or not Dr. Langelier receives any honorarium from the Quebec Exhibition for acting as a Commissioner. Mr. J. A. McClary, Superintendent of the Experimental Station, Lennoxville, Que., is president of the Sherbrooke Exhibition, but he does not represent the Department on the Exhibition Board.

HUDSON BAY RAILWAY

INQUIRY

Hon. Mr. FOSTER inquired of the Government:

Whether they have secured the advice of the President and competent officials of the Government Railways with regard to the building of the Hudson Bay Railway, and, if so, who were such officials, and what was the advice given?

He said: Before my honourable friend answers the inquiry of which I gave notice the other day I would like to say that when I gave that notice I deemed it advisable that certain information should be received by this House in regard to that railway. Since giving my notice however, I have been informed that a similar inquiry was made in another place, and a return was brought down giving certain information. I have not had an opportunity of reading and studying that return, and I would be obliged if my honourable friend would allow this inquiry to stand so that I may see what information has been brought down, and whether it coincides with what I desired.

Hon. Mr. DANDURAND: Is my honourable friend under the impression that the other inquiry was on the same line as his own?

Hon. Mr. FOSTER: I was told that it was.

Hon. Mr. DANDURAND: I ask that because I saw an answer in regard to the probable cost of the building of the road, but it did not bear on the question of policy which my honourable friend now raises.

Hon. Mr. FOSTER: It was not so much a question of policy that I wanted to raise, but I wished to learn what information the Government had from their officials in regard to the cost, and everything else connected with that new construction. Without having seen the return that was brought down in another place, I understand that the officials have made certain reports to the Government.

Hon. Mr. DANDURAND: Then I would suggest to my honourable friend that he should drop his question now, and draft it in a different form, because as he now puts it he would not obtain the information which he is seeking.

Hon. Mr. FOSTER: I am quite willing to do so.

The question was dropped.

SUMAS LAKE DOMINION LANDS

MOTION

Hon. Mr. TAYLOR moved:

That a humble Address be presented to His Excellency the Governor General praying that His Excellency will cause to be laid before the Senate copy of any agreement between the Government of Canada, or any department thereof and the Government of the Province of British Columbia for the transfer to the Government of British Columbia or to any persons on their behalf or at their instance of vacant Dominion lands underlying or abutting upon Sumas Lake; together with all correspondence and all Orders in Council relating to said transfer or proposed transfer or to any matters arising therefrom. Also for a copy of any accounts received from said Provincial Government of the proceeds of any sales of Dominion lands so acquired and of any expense incurred by the Province in connection with the reclamation of lands included in the proposed transfer.

Hon. Mr. DANDURAND: I have no objection to this motion being adopted, but of course I do not know whether all the information which my honourable friend is asking for is available, or if such correspondence and documents exist, but I suppose that the answer will disclose this.

Hon. Mr. TAYLOR: My impression is that the answer to this will be very short. I do not think there is anything voluminous involved.

The motion was agreed to.

SIXTIETH ANNIVERSARY OF CONFEDERATION

PROPOSED CELEBRATION

Hon JOHN LEWIS moved:

Resolved, that it is expedient that preparations be made for the celebration of the sixtieth anniversary of the Confederation of the provinces of Canada.

He said: Honourable gentlemen, if there were business of a more urgent character on the Orders to-day I should be willing to refrain from presenting this motion, dealing with a matter which may be described as somewhat academic and sentimental; but, inasmuch as there is before us only what the industry of the Divorce Committee has pro-

vided for us, we may properly introduce the matter. I hope to be able to show that it is of some practical importance; and it seems to me especially appropriate that a matter of this kind, dealing as it does with history, should be discussed by this body, which contains a very considerable number of those who have at least a boyish recollection of the period to which it relates.

Less importance is usually attached to a sixtieth anniversary than to a fiftieth or a hundredth; but, after all, these divisions are merely arbitrary, and are adopted for purposes of convenience. In this case there is a special reason for a departure from custom. A celebration was planned for the fiftieth anniversary, but was interrupted by the Great War. We were then too much occupied by the anxieties of the present to be able to give much thought to the past. Now, unless we are to wait for the hundredth, which probably few of us will see, we have an opportunity to do in 1927 what we planned to do in 1917.

Is there any practical value in these celebrations? Well, experience seems to show that they satisfy some craving of human nature. No one regards as an idle ceremony the celebrations of Christmas, or Easter, or Thanksgiving Day. Our neighbours celebrate the anniversary of their independence with fireworks and oratory on a huge scale. We may think that they are too exuberant. Certainly we in Canada go to the opposite extreme. Dominion Day in Canada, though observed as a holiday, is hardly celebrated at all as a national anniversary. Eleven days afterwards, in Toronto, and I suppose in other Protestant communities, the anniversary of a battle in Ireland nearly 240 years ago is celebrated with an exuberance rivalling that of the fourth of July on the other side. On Dominion Day the maple leaf is hardly in evidence at all. But on St. Patrick's Day the shamrock is worn by many of us in whose veins there is no Irish blood, St. George's Day for the English, St. Andrew's Day for the Scottish, St. David's Day for the Welsh, all receive more attention at our hands than the anniversary of the birth of our own nation. I have no objection to these celebrations, so long as they perpetuate no ill-will or revive the memory of no ancient feuds. But I do feel that we ought to do a little more celebrating for ourselves, in a sensible way.

A visitor from the United States who spent some years in Toronto described us as an inarticulate people, and I have heard the same remark from an Englishman, a thinking man, who has made his home among us. "Does it matter?" I may be asked. Well, does any celebration matter? Are Imperialists right or wrong in making provision for the celebration of Empire Day? My own notion is that the Imperialists are shrewd practical men and women, and that we might very well take a leaf out of their book. Do we need any such aid to patriotism? I agree that even without such aids much is being done. All good and useful work, on the farm or in the factory, or office, or pulpit, or school, is patriotic. We are all working for Canada as well as ourselves, and I think that it may be fairly said that Canadians, if inarticulate in speech, are articulate in deeds that redound to the benefit of their country. Yet I think there is need for a little more self-conscious patriotism.

We are a nation in the making, with a small population scattered over a vast area. We have in the east a population divided not very unequally between those of French and those of British descent. We have in the west, besides a large British element, large elements drawn from the continent of Europe, creating a problem which is described in the United States as the melting pot. I rather dislike the phrase as expressing too mechanical a process, but I recognize the necessity of blending these elements into a common Canadianism. We were once threatened with a racial cleavage between those of British and those of French descent. That danger, I believe, is now much less than in the past, and a great deal of progress has been made in establishing friendly relations. We are now threatened with a cleavage on economic and geographical lines. We heard much of discontent in the West, and more recently of discontent in the Maritime Provinces. We have even heard talk of secession, which I take as not expressing a serious purpose, but only an emphatic way of showing discontent. I am aware that for this there must be remedies more practical than celebrations. But much depends upon the atmosphere in which the question is discussed, and from that point of view we ought not to neglect the aid of any national and unifying sentiment, such as may be evoked by a worthy celebration of our natal day.

Have we anything to celebrate? Is there anything in our history calculated to awaken national pride? In my opinion there are few countries which can show a history richer in picturesque and romantic elements, or in political instruction. In the early period of French rule we have a great procession of heroes, soldiers, explorers, missionaries. Concerning this, I borrow the language of

Parkman, which is much more eloquent than my own, and which gives a picture of that period:

The French dominion is a memory of the past; and when we evoke its departed shades, they rise upon us from their graves in strange romantic guise. Again their ghostly camp fires seem to burn, and the fitful light is cast around on lord and vassal and black robed priest, mingled with wild forms of savage warriors, knit in close fellowship on the same stern errand. A boundless vision grows upon us; an untamed continent; vast wastes of forest verdure, mountains silent in primeval sleep; river, lake and glimmering pool; wilderness oceans mingling with the sky. Such was the domain which France conquered for civilization. Plumed helmets gleamed in the shade of its forests, priestly vestments in its dens and fastnesses of ancient barbarism. Men steeped in antique learning, pale with the close breath of the cloister, here spent the noon and evening of their lives, ruled savage hordes with a mild, parental sway, and stood serene before the direst shapes of death. Men of courtly nurture, heirs to the polish of a far-reaching ancestry, here with their dauntless hardihood put to shame the boldest sons of toil.

There follows the long conflict between England and France, concerning which I care to remember only the heroism displayed on both sides.

Then we see the incoming of the English-speaking settlers, United Empire Loyalists and immigrants from the British islands, exhibiting that instinct for pioneering which was shown by the French and may be regarded as a distinctive Canadian faculty. Our French-Canadian citizens have it to a very remarkable degree, as illustrated in a famous novel of our time, "Maria Chapdelaine":

To clear the land; that is the great expression of the country, which describes all that lies of hard toil between the poverty of the wild woods and the final fertility of ploughed and sowed fields. Samuel Chapdelaine spoke of it with a flame of enthusiasm and elation in his eyes.

It was a passion with him; the passion of a man made for clearing rather than for tilling the land. Five times already since his young days he had taken a concession, built a house, a stable, and a barn, and out of the sheer woods fashioned a prosperous farm; and five times he sold this farm, to go and begin all over again farther away to the north, quickly discouraged, losing all interest and all ardour once the first heavy labour was at an end, as soon as many neighbours arrived, and the country began to be settled and opened up. Some understood him; others thought him more enterprising than prudent, and they kept saying that if he had known how to stay in one place, he and his would now be at their ease.

The next picture I would like to give you is of the English-speaking settler in Upper Canada. Let me borrow from the historian McMullen:

The backwoodsman whose fortunes are cast in the remote inland settlements of the present day, far removed from churches, destitute of ministers of the Gospel and medical men, without schools, or roads, or the many conveniences that make life desirable, can alone appreciate or even understand the numerous difficulties and hardships that beset the first settler among the ague-swamps of Western Canada. The clothes on his back, with a rifle or old musket and a well tempered axe, were not infrequently the full extent of his worldly possessions. Thus lightly equipped, he took possession of his two hundred acres of closely-timbered forest land and commenced operations. The welkin rings again with the vigorous strokes, as huge tree after tree is assailed and tumbled to earth; and the sun presently shines in upon the little clearing. The best of the logs are partially squared and serve to build a shanty; the remainder are given to the flames. Now the rich mould, the accummulation of centuries of decayed vegetation, is gathered into little hillocks, into which potatoes are dibbled. Indian corn is planted in another direction, and perhaps a little wheat. If married, the lonely couple struggle on in their forest oasis like the solitary traveller over the sands of Sahara or a boat adrift on the Atlantic. The nearest neighbour lives miles off, and when sickness comes they have to travel far through the forest to claim human sympathy. But fortunately our nature, with elastic temperament, adapts itself to circumstances. By and by the potatoes peep up, and the corn-blades modestly show themselves around the charred maple stumps and girdled pines, and the prospect of the sufficiency of food gives consolation. As winter approaches, a deer now and then adds to the comforts of the solitary people. Such were the mass of the first settlers in Western Canada.

Goldwin Smith says in the same connection:

This was the heroic era before politics, unrecorded in any annals, which has left of itself no monument other than the fair country won by those obscure husbandmen from the wilderness, or perhaps, here and there, a grassy mound, by this time nearly levelled with the surrounding soil, in which, after their life's partnership of toil and endurance, the pioneer and his wife rest side by side.

The rough lot, we trust, was cheered by health and hope, while the loneliness and mutual need of support would knit closer the tie of conjugal affection. To the memory of conquerors who devastate the earth, and of politicians who vex the life of its denizens with their struggles for power and place, we raise sumptuous monuments; to the memory of those who by their toil and endurance have made it fruitful we can raise none. But civilization, while it enters into the heritage which the pioneers prepared for it, may at least look with gratitude on their lowly graves.

Mr. Goldwin Smith is perhaps unduly severe on the politicians, but he does no more than justice to the pioneers. Politicians or statesmen are entitled to credit for the work they did in establishing self-government in the political sense. But the pioneers had already won self-government in the larger sense. When men and women abandon the comfort, the security, the companionship, the beaten path of an old civilization, striking out into the forest with axe and gun and a little supply of food, clear their own farms, build their own houses, raise their own food, and even make their own clothing, they are already self-governing to a larger extent than most of those whom they left at home—to a larger extent than those of us who live comparatively sheltered lives, and walk in the smooth paths of civilization which the pioneers

dug out. We talk of such men as belonging to an "infant community" which needs to be gradually educated into self-government. But that involves an error. For such self-reliant people it was not so much tyranny as mere nonsense to talk of their being governed by statesmen and officials living in far different conditions thousands of miles away.

Out of this condition a large immigration of English-speaking people was added to a large French Canadian population.

Then arose a problem which was constantly appearing for many years, occasioned by the difference in race and largely in religion between British and French. It was at some times acute, more rarely dangerous, but it was faced by wise statesmanship and common sense, and I think it may be said that, if not absolutely solved, it is in a fair way towards solution. The two races combined in the struggle for self-government. It was a Liberal achievement, but I am still more proud to know that it was a distinctly Canadian achievement. For while I grudge no credit to Lord Durham for his wisdom, foresight and courage, I cannot forget that the workable part of the programme, namely responsible government, was originated by the Canadian Reformers, while they were not responsible for that which proved to be unworkable, namely the assimilation of the French-Canadians by the people of our race.

It is matter of history that the old legislative union founded upon that idea proved to be unworkable and in the effort to find a remedy we had the movement leading up to Confederation. It was due in part to the disputes between Upper and Lower Canada, which finally caused something like paralysis in government; partly to the need for new channels of trade, due to the abrogation of the reciprocity treaty with the United States; and partly to the need for better means of defence, as to which we had been notified by the British authorities that we must rely more upon ourselves.

I will not detain you by recounting the difficulties which were overcome. They were overcome and Confederation was achieved by the skill and public spirit of men of both political parties. By federalizing the union they substituted for a rigid bond a bond elastic enough to admit of expansion eastward to the Atlantic and westward to the Pacific. The feeble, isolated and distracted colonies of 1864 have given place to a commonwealth which, if not in strictness a nation, possesses all the elements and possibilities of nationality, with a territory open on three sides to the ocean, lying in the highway of the world's commerce, and capable of supporting a population as large as that of the British Islands. Confederation was the first and greatest step in that process of expansion. I say without hesitation that it has been a success. There have been periods of slow growth and of discouragement. But these are mere eddies in the stream of our history. The cure for despondency is to look not at the eddy but at the stream; to let our minds rest not on short periods but on long periods. I will not weary you with statistics, but I invite you to compare for yourselves the conditions of 1867 with those of 1926. And I may say that you may conveniently do that by referring to the booklet which has been distributed among you, "Five Thousand Facts About Canada," by Mr. Frank Yeigh, as well as to the Year Book and other Government publications. Look at the growth in area; in population; in railway mileage and railway business; in agriculture; in manufacturing industry; in domestic and external trade; in insurance; in provision for education; and your hearts will be filled with gratitude for the past and hope for the future. Look at the growth of provision for defence. In 1867 there was grave anxiety as to whether Canada could defend herself in case of a war originating on this continent, and as to whether it might require the protection of the Mother Country. Fifty years later we find Canada more than self-sustaining in regard to defence. I say this advisedly, because I take direct issue with those who say that this country is sponging upon Great Britain for defence. Canada has been giving rather than receiving protection, and more than fulfilling Sir John Macdonald's prediction:

> Instead of looking upon us as a merely dependent colony, England will have in us a friendly nation—a subordinate, but still a powerful people—to stand by her in North America, in peace or in war.

Observe that phrase, "North America," showing that even Sir John Macdonald was thinking only of local defense in Canada and not even contemplating the possibility of Canada taking a tremendous part in European war. I do not dwell upon this, because our part in the war is being amply commemorated by Armistice Day and by monuments erected all over Canada, and because our sorrow and pride are fresh in our memory.

It is not for me or for this House or for Parliament to dictate the mode of celebration. The Canadian Clubs have been giving much attention to this matter, and I hope to see Parliament co-operating with this and other agencies. I approve of the suggestion that the celebrations should not be confined to one place, but should be nation-wide, so that no city or town or village should be neglected.

I would like to add one more suggestion of my own. The anniversary of Confederation falls upon a day which opens the summer vacation, when it is difficult to induce people to gather in large numbers for any sort of speechmaking and ceremonial. Therefore I would not have the celebration confined to that day. I would like to see it give colour to the whole year. I would like to see it impressed upon the minds and hearts of the young people in our schools. I would like to see it emphasized on Arbor Day, when we invite people to plant trees, in Save the Forest Week, when we plead with them to save the forests from destruction. I would like to see it made a feature of our exhibitions and fall fairs, as it is proposed to do in Toronto. For these exhibitions are landmarks of our progress in peaceful industry.

Arbor Day, Fire Protection Week, and the autumn exhibitions and fairs, all spring from the impulse of promoting growth and construction, and my desire would be to make that the dominating theme of the celebration. I do not want to see the impulse evaporate in fireworks and speeches, but to be a means of quickening as well as celebrating the progress of our country, of interesting the young and the newcomers in our history, and of promoting the unity of our nation.

Hon. R. DANDURAND: Honourable gentlemen, I think I express the views of all who have listened to the statements of the honourable gentleman from Toronto in saying that we are grateful to him for bringing this matter before the Senate. He has asked himself and has asked us if we should not take advantage of this recurring anniversary to bring to the attention of Canadians the achievement of Confederation. It seems to me that we might well declare that there should be held every ten years a special celebration which would remind the younger generation of what has been accomplished by their fathers and their forefathers; and because we have a large number of people who have come to Canada within the last twenty-five years, it is important that they, as well as their children growing up in our midst, should be made aware of the history of Canada.

My honourable friend expressed an idea which was running in my own mind when he said that the 1st of July was not perhaps the best day on which to draw the attention of our people to what Canadians have done since 1867 and before. It was my idea that in preparing a programme for that celebration we ought not to forget the boys and girls in the schools. I would like to see prizes offered by the provincial governments to the older students, either by counties or by provinces, for the best essays upon Canada and its history. Thus the young people between the ages of fourteen and eighteen, as they approached the close of their studies, would have their minds directed to what has been done by Canada. When we listen to a statement of what has been achieved by the very small population who united in 1867, in developing this vast territory, we feel proud of those who have gone before us. We have still among us some who saw the beginnings of this Dominion, but the story of the Fathers of Confederation needs to be told to the younger generation. I commend the action of my honourable friend and hope that something will be done to celebrate the sixtieth anniversary of Confederation. We might very well at the same time, resolve to set apart every ten years a certain period in which to pass in review the progress of the country in the preceding decade.

The motion was agreed to.

POSSESSION OF WEAPONS BILL

FIRST READING

Bill Q3, an Act to amend certain provisions of the Criminal Code respecting the possession of weapons.—Hon. Mr. Belcourt.

The Senate adjourned until to-morrow at 3 p.m., daylight saving time.

THE SENATE

Wednesday, May 5, 1926.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill R3, an Act for the relief of Joseph Robert Crow.—Hon. Mr. Mulholland.

Bill S3, an Act for the relief of Stanley Bennett.—Hon. Mr. Pope.

Bill T3, an Act for the relief of Katherine Landon Foley.—Hon. Mr. Schaffner.

Bill U3, an Act for the relief of Edith Annie Say.—Hon. Lorne C. Webster.

Bill V3, an Act for the relief of Isabella Stewart Carmichael Wilson.—Hon. Mr. Schaffner.

Bill W3, an Act for the relief of May Maud Mary Johnson.—Hon. Mr. Schaffner.

Bill X3, an Act for the relief of Roland George Wickens.—Hon. Mr. Willoughby.

APPROPRIATION BILL NO. 2

FIRST READING

Bill 96, an Act for granting to His Majesty a certain sum of money for the public service of the financial year ending the 31st March, 1927.—Hon. Mr. Dandurand.

SECOND READING POSTPONED

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

He said: Honourable gentlemen, this is a Bill similar to the one which was passed by this Chamber three or four weeks ago, granting to His Majesty one-twelfth of the supply for the fiscal year. This represents a second twelfth, covering the month of May.

Hon. W. B. ROSS: I think it will have to stand over until to-morrow.

Hon. Mr. DANDURAND: There is no pressing need to take the second reading now.

Hon. Mr. ROSS: No. I wish to say just a word or two about the Bill, if it is to stand over till to-morrow. There is an item, No. 105, on page 28, which reads:

Hudson Bay Railway, construction and betterments, $3,000,000.

It would expedite matters to-morrow, I think, if the honourable leader would be able to tell us a little about that item and about the Hudson's Bay Railway. There are three or four different notions in this country as to what the Hudson's Bay Railway means. I suppose that it really means a road from Hudson Bay Junction to Nelson, or, alternatively, from Hudson Bay Junction to Churchill. Others regard it as a road from Le Pas only to Churchill; and others again include in it the harbour and all the equipment of an ocean port. I cannot find out definitely what it really is. I thought at one time it was a part of the Canadian National Railway System. I hope the honourable gentleman may be able to tell us, now or to-morrow, whether it is an integral part of the Canadian National System or whether it is a piece of road that is operated as the old Intercolonial used to be before it was brought into the National System by Order in Council.

Then perhaps we can be informed as to the costs of operating that road. I understand there is a train run between Le Pas and Stop 214 twice a week, but so far I have not been able to find any figures or accounts with respect to that.

With regard to the $3,000,000 which is said to be for construction and betterment, perhaps the honourable gentleman will be able to give us an assurance to-morrow that if the Bill passes as it now stands the Government will undertake not to spend any part of the $3,000,000 except on the Hudson Bay road that is being operated between Hudson Bay Junction and Stop 214.

Hon. Mr. DANDURAND: Between Le Pas—

Hon. Mr. ROSS: I would say that either one would be correct enough. There is a road from Hudson Bay Junction to Le Pas and then from Le Pas to Stop 214. I take it that the road from Hudson Bay Junction to Le Pas is in fairly good condition. The other road, from Le Pas to Stop 214, is the line on which I think there is a train twice a week. We shall understand the situation better if we can get that assurance from the Government, that no part of the appropriation that we are voting will be expended outside of the road; whether between Le Pas and Stop 214, or between Hudson Bay Junction and Stop 214; I do not care which.

Hon. Mr. DANDURAND: Perhaps I can now give my honourable friend some information, which I may supplement to-morrow. The railway is built and operated to a certain point, but as to the form or extent of the operation I cannot give precise information. I will give that to-morrow.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend says, "to a certain point." What point is that, please?

Hon. Mr. DANDURAND: Of course I have not been on the spot. When I speak of the Hudson Bay Railway I always see it from Le Pas northward.

Right Hon. Sir GEORGE. E. FOSTER: From Le Pas?

Hon. Mr. DANDURAND: From Le Pas northward.

Hon. Mr. GORDON: Is it not from Le Pas to Mileage 214?

Hon. Mr. DANDURAND: I have no precise data at hand. I will get the information for my honourable friends to-morrow. From the end of steel to Nelson the road has been graded; so that construction on the 90 miles that need to be completed is already far advanced, inasmuch as the roadbed is ready. The rail has yet to be laid, and there are perhaps some small rivers to cross. However, I shall give my honourable friends precise information to-morrow.

The road does not form part of the Canadian National Railway System. It is still controlled and administered by the Government of Can-

ada and is under the direct supervision of the Minister of Railways. As for the work of maintenance and completion—I would rather say at present the maintenance work —the Minister of Railways has asked the Canadian National Railway authorities to proceed with it for him, because they have the equipment and can do it to far better advantage than any outside party. The work that they do is controlled by the Government Engineer, and they are proceeding under the direction and with the concurrence of the Minister of Railways as advised by his own staff. I think I stated the other day—or, if I did not, I had it in mind—that the sums that are being voted, the twelfth for last month and most probably the twelfth for this month, would have to be spent anyway on maintenance work on that part of the line on which rail has been laid. The work is proceeding under the general authority of Parliament, because, as honourable gentlemen know, all the Governments that have been in power since 1902 or 1904 have accepted the policy of building the railway, and have proceeded with the concurrence of both branches of Parliament to do that work. The amounts that are now asked are therefore being voted on a principle and a policy approved by Parliament for the last 22 or 24 years. There is absolutely nothing new in the fact that a certain sum is included in a general supply bill, except that, as has been stated, the Government intend now to proceed diligently to complete the road, and have already presented some figures to the other Branch of Parliament regarding the cost. I understand that these figures are being re-examined closely, in order that Parliament may have as accurate an estimate as possible of the cost of finishing the road to Nelson. The figures which I saw in the press were given a week or two ago, but the Minister of Railways tells me that within a few days he will give me some authoritative figures which will be in his opinion the nearest approach to an estimate.

Hon. Mr. SCHAFFNER: Can my honourable friend give us, to-day or to-morrow, information as to what amount of money will be required to put the road from Le Pas to Mileage 214 in a reasonably good condition? Does my honourable friend understand what I would like to know?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. TANNER: In connection with this enterprise I have frequently seen it stated that certain funds in existence, or prospective funds from some source, are ear-marked. I have never seen any explanation of just what that means. I would be very pleased if my honourable friend could give an explanation to-morrow of that ear-marking.

Hon. Mr. DANDURAND: I may say that I saw a statement that a certain area of land had been ear-marked, and the proceeds from the sale of this land were to be devoted to the building of the railway. I read in the newspapers a statement from a member of the other House to the effect that already $16,000,000 worth of land had been sold and $12,000,000 collected. That was the first news I had, and those figures were the first to come to my notice. However, I will try to get that information.

Hon. Mr. SCHAFFNER: Has the $12,000,000 been used?

Hon. Mr. DANDURAND: Yes, $20,000,000 was spent on the railway, and $6,000,000 on the terminals.

Hon. Mr. TANNER: I have seen those figures, but what I am anxious to do is to get back to the source, if it can be done.

Hon. Mr. ROBERTSON: I would like to inquire if the House is to understand that that vote of $3,000,000, designated as for betterment and construction, is also being used for maintenance of the 200 odd miles now in operation?

Hon. Mr. DANDURAND: I would rather postpone my answer until to-morrow, in order to have exact data as to what is being done, if some work has been started already, because no work has been started this present season.

Hon. Mr. ROBERTSON: I understood my honourable friend a minute ago to indicate that the twelfth of this vote was now necessary in order that the maintenance work on the existing line now in operation might be kept up. The thought occurs, whether there is some division as between the money voted for maintenance and money voted for betterment and construction.

Hon. Mr. DANDURAND: I had the statement of the Deputy Minister of Railways and Canals a few weeks ago that the twelfth which was voted last month, and double that amount, would be needed for necessary maintenance work. I simply use the words as he gave them to me, but I cannot say exactly what it covers.

Hon. W. B. ROSS: As I understand it, the honourable gentleman will try to give us to-morrow the full cost of the railway to Nelson; that will include putting the whole line into

working condition from Le Pas to Nelson. But I hope he will not lose sight of my question. He may regard it as hypothetical, but it is important to me, and I trust he may be able to tell us whether, in the event of our passing this vote as it stands, we can have the assurance from him, on behalf of the Government, that the expenditure of that item will be confined to the road between Le Pas and Stop 214, leaving any provision for the road beyond Stop 214 to be settled by another vote, or another Bill.

Hon. Mr. DANDURAND: Oh, I hope that the $3,000,000 will absolutely complete the road to Nelson.

Hon. W. B. ROSS: But that is not what I mean. For myself, I would be willing, I think, to vote for what is necessary to keep the road in condition from Le Pas to Stop 214, but not to vote for an expenditure beyond Stop 214; so that if this $3,000,000 means a road all the way to the Bay I would like to know that to-morrow, or whether the Government will be prepared to say: "If you give us this interim vote we will confine our expenditure to the 214 miles between Le Pas and the end of the track."

Hon. Mr. DANDURAND: That is to say, the one-twelfth that this comprises?

Hon. W. B. ROSS: Yes.

Hon. Mr. DANDURAND: I do not know; I will have to bring that to the notice of the Railway Department.

Hon. Mr. DANIEL: When the Minister speaks again on this subject I trust he will be able to inform us as to the views of the Government in regard to this railway—whether they intend to treat it as a colonization railway, or as a road which, after reaching Nelson, will have to be completed by harbour terminals, the creation of a fleet to navigate those waters, and the enormous expense which will be entailed in endeavouring to make it a port of call as a mercantile route for freight and passengers, especially freight. I think we would like to have the views of the Government on those points. For my own part, it would make a great difference in my view if the road were to be merely a colonization road. Whether or not I would vote in favour of it, would depend, in fact, on whether it was to be a colonization road, purely and simply, or whether, after reaching Nelson, the intention would be to make it one of the routes to Europe, entailing the enormous expense that will be necessarily involved if it is to be completed as a route for navigation purposes through Hudson Bay and Hudson Strait. I hope the honourable Minister will be able to satisfy our curiosity in that respect.

Hon. Mr. DANDURAND: I will try to bring that statement to my honourable friend. Of course, I know what has been the stand taken by my honourable friend in the past. I think he sat on the Committee from this Chamber which unanimously declared in favour of the building of the road, and he was somewhat nervous and diffident as to the navigability of Hudson Bay.

Hon. Mr. DANIEL: That report was not at all unanimous, though it was passed by a majority in this Chamber. It was carried on division.

Hon. Mr. DANDURAND: I do not know if it was on division; by our Minutes it appears as if the report had been passed unanimously. I would not claim, however, that the Senate did pass it unanimously, because I know that my honourable friend from De Lanaudière (Hon. Mr. Casgrain) and my honourable friend from St. John (Hon. Mr. Daniel) were not very agreeable to the idea, because they were not convinced of the navigability of Hudson Strait.

Hon. Mr. DANIEL: I showed very plainly in my remarks that the report as brought in and passed by a majority of this Chamber was not substantiated by the evidence that was given before the Committee.

Hon. Mr. DANDURAND: Well, we will try, since we have the experience of the cost of the port of St. John and of that of Halifax, not to fall into the same pit.

Hon. Mr. DANIEL: But you do not have to build a special fleet to go to those ports, as you must do if you want to go to Nelson.

Ordered that the motion for the second reading of the Bill be placed on the Order Paper for to-morrow.

PRIVATE BILLS

FIRST READINGS

Bill 4, an Act respecting the Canadian Pacific Railway Company.—Hon. Mr. Willoughby.

Bill 5, an Act respecting the Interprovincial and James Bay Railway Company.—Hon. Mr. Gordon.

Bill 18, an Act to change the name of the Dominion Express Company to "Canadian Pacific Express Company."—Hon. Mr. Haydon.

RETURN OF DOCUMENTS TO G.W.V.A.

MOTION

Hon. Mr. BELCOURT moved:

That the documents referred to as Exhibits A, B and C to the statutory declaration of Albert Henry Yetman, secretary-treasurer, Manitoba Provincial Command of the Great War Veterans' Association, filed during the enquiry of the Special Committee on the Administration of the Canteen and Disablement Funds, etc., be returned to the said association.

The motion was agreed to.

STANDING COMMITTEE ON MISCELLANEOUS PRIVATE BILLS

MOTION

Hon. Mr. DANDURAND moved:

That the name of the Honourable Mr. Béique be substituted for the name of the Honourable Mr. Boyer on the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

REMOVAL OF PORTRAITS FROM SENATE CHAMBER

On the Orders of the Day:

Hon. Mr. TANNER: There is a matter which I wish to mention to the House; it is in a sense a domestic matter, with which probably my honourable friend opposite and other older members of the Senate are more familiar than myself. I find that some members of the House are anxious to know what has become of a very fine portrait of Queen Victoria, which I understand has considerable historic interest as well as artistic value, and which has been represented to me as the property of the Senate. I understand that this painting originally hung in the Parliament Building in Montreal, and was salvaged when that structure was destroyed; that it was brought to Ottawa, and for a considerable time hung in the Senate lobby, or near the entrance to this Chamber, and when the building which formerly stood on this site was destroyed by fire the portrait was again salvaged by the officials of the Senate. I am informed that since then this painting has passed out of the possession of the Senate, I do not know why, and it is reported that it is now hanging in one of the rooms of the House of Commons.

My purpose in bringing this matter to the attention of the House is to draw the attention of honourable members to the loss of this portrait, and to leave with them the question whether it is worth while for the Senate to assert its right to the restoration of the painting. I find that officials of this House and some of the members think that the portrait should be back in the custody of the Senate.

Hon. Mr. DANIEL.

Hon. Mr. McLENNAN: While we are on the subject of the fine arts I would like to call the attention of the leader of the Government to the fact that we have no longer the two very fine portraits by one of the greatest English portrait painters, Reynolds, of King George III and his Queen. Unfortunately they were hung where they could only be seen at a disadvantage. I understood that last Session the frames of those portraits were being repaired, but they are still absent. It is highly desirable that they should be kept with us, after being put in the best order, and placed where they could be seen to the greatest advantage.

Hon. Mr. DANDURAND: I am unable to satisfy the curiosity of my honourable friend at this moment, but I will try to find where those paintings are, and see if any other body claims title to them. Of course, they were in the Senate at one time. How did they reach the Senate? What was our title to them? The building, at all events the old building, was supposed to be under the charge and custody of the Minister of Public Works. Did he distribute the furniture and the paintings at his own will? Was he making a gift to the two branches of Parliament of what hung on our walls? I do not know, but I will try to ascertain, and lay before the proper authorities our right claim to the portrait of Her Majesty Queen Victoria, in whose reign it was my privilege to grow up.

Hon. Mr. WILLOUGHBY: As we are speaking of paintings, I should like to say that when I first came into this Chamber, or shortly afterwards, the suggestion was made in certain quarters that possibly the war paintings that now adorn our walls would be replaced by others. We all know that there is a very large number of war paintings that have never found wall space anywhere, but I do not know whether anything has been done in regard to that suggestion or not.

Hon. Mr. DANDURAND: I understand that those paintings were put here temporarily, and one of these days we may appoint a Committee to decide if we should try to bring this Chamber back somewhat to the likeness of the old Senate Chamber, by opening the galleries on both sides. I confess that I am not yet reconciled to this form of architecture, after having had before my eyes the old Chamber of the Senate, which I think had no duplicate in any parliament building in the world. Of course, I have postponed taking up this question because of the state of our treasury; but, as finances are looking buoyant, I hope that before the end of this Parliament we shall have shown such a

constant stream of surpluses that we may go into the proper expenditure for this building.

Hon. Mr. BELCOURT: I am perhaps more radical than any of the honourable gentlemen who have spoken on this subject thus far; but if the question of making alterations of this Chamber is taken up seriously, with a view to accomplishing something, I would suggest that the whole of the western wall be removed to where we could get natural instead of artificial light, and ventilation, and also secure the space that we had in the old Chamber. Unless this wall is so removed we shall never have a Chamber worthy of the name, or one that can compare with the old one. I think it was a terrible mistake to have built this Chamber in the way it was done, and not to have taken advantage of the twenty feet which are available on the other side of the wall, and which would have given this Chamber adequate dimensions and a proper appearance. It would perhaps be radical to do as I suggest, but I have no hesitation in saying that unless this wall is removed to where it should have been in the first place we shall never have a satisfactory Chamber.

The Hon. THE SPEAKER: Honourable gentlemen, I would like to say, for the information of the Senate, that the pictures referred to by the honourable member from Sydney (Hon. Mr. McLennan)—the one of King George and the other of Queen Caroline —are now in the vault of the Senate, having been taken off the walls because it was reported that the frames were not safe, and there was danger of the pictures being injured. We are now simply waiting for the Public Works Department to have proper frames made before the pictures are rehung.

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

THE SENATE

Thursday, May 6, 1926.

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

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

Bill Y3, an Act respecting the Dominion Electric Protection Company.—Hon. G. G. Foster.

DIVORCE BILLS

FIRST READINGS

Bill Z3, an Act for the relief of Marjorie Durham Morgan.—Hon. Mr. Fisher.

Bill A4, an Act for the relief of Amber May Wolfenden.—Hon. Mr. Willoughby.

Bill B4, an Act for the relief of Edna Beatrice Burley.—Hon. Mr. Willoughby.

Bill C4, an Act for the relief of Bessie Hyde Lanyon Calhoun.—Hon. Mr. Willoughby.

Bill D 4, an Act for the relief of Bleecker Foy Maidens.—Hon. Mr. Willoughby.

Bill E 4, an Act for the relief of George Almon Wickett.—Hon. Mr. Willoughby.

MONTREAL-OTTAWA TRAIN SERVICE

On the Orders of the Day:

Hon. C. E. TANNER: I wish to ask the honourable leader of the Government if he will be good enough to get into communication with the Railway Department in respect of the train service, under the time-table just issued, between Montreal and Ottawa as it relates to the service between Nova Scotia and Montreal. Within my recollection, not a great many years ago, one leaving Nova Scotia would arrive in Montreal in time to take a train within half an hour for Ottawa; but in more recent years that service has been entirely cut out, and, leaving Halifax, say, at 8 o'clock in the morning, one got into Montreal at 9.10 the following morning and had to wait until 1 o'clock for a train through the tunnel to Ottawa. Now I observe that the 1 o'clock train has been taken off the service. So that one arriving in Montreal from Nova Scotia at 9.10 can leave Montreal for Ottawa only at 4 o'clock on any day excepting Sunday, and on Sunday he is unable to get out until 6.40 p.m. Therefore, leaving Halifax or any other point east on Saturday morning at 8 o'clock, one cannot get into Ottawa until between 9 and 10 o'clock p.m. the following day.

Now, I call attention to this. I am sorry to trouble my honourable friend, the leader of the House, with it, but it seems to me that this change in the time-table has been made without any consideration whatever of the people who reside in Nova Scotia and who may wish to come to the Capital City of Canada in a reasonable time. Notwithstanding the many great attractions of the metropolis, it was bad enough when one had to loaf about the city of Montreal from 9 o'clock in the morning until one; but now, if one has to wait until 4 o'clock on any week-

day, and until 6.40 o'clock on Sunday, I want to say to my honourable friend, and I hope he will say to the Railway Department, that it is a great injustice to Eastern people.

Hon. Mr. DANDURAND: I will bring the remarks of my honourable friend to the attention of the President of the Railway.

Hon. Mr. CASGRAIN: If the honourable gentleman would read the newspapers, he would see that it has been advertised throughout the land that on the 20th of May there will be a change which will, I think, accord with his desires.

Hon. Mr. DANDURAND: Hear, hear.

Hon. Mr. TANNER: That is all right, but many of these promises are not fulfilled. I am dealing with a state of matters that actually exists.

Hon. Mr. CASGRAIN: Read the papers.

Hon. Mr. WATSON: Read the Montreal Herald.

Hon. Mr. TANNER: What I am dealing with is what is the actual fact.

Hon. Mr. WATSON: Read the Herald.

APPROPRIATION BILL NO. 2

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 96, an Act for granting to His Majesty a certain sum of money for the Public Service of the financial year ending the 31st March, 1927.

He said: Honourable gentlemen, in moving the second reading of this Bill I would like to give an answer to the questions that were put to me last evening, and with your permission I will begin with the one last asked, which will perhaps bring the history of the Hudson Bay railway before this Chamber in a more logical form.

I was asked if there was any foundation for the statement that some money or some land was ear-marked at any time for the building of a railway to the Hudson bay. I stated that I had seen somewhere a statement to that effect, but that I had not scrutinized either the statement or its source. I may say that as far back as 1882—perhaps I am mistaken as to the date—land grants of 6,400 acres per mile were voted for the building of certain railways in the West. A charter was secured for the building of the Hudson Bay railway south of the Saskatchewan river, and north of the Saskatchewan river to the bay, and following the issuing of the charter a grant was given the company of 6,400 acres per mile of road south of the Saskatchewan river; but as it was felt that perhaps a similar grant would not secure the building of the road north of the Saskatchewan river to the Hudson bay, the grant was doubled, so that it would amount to 12,800 acres a mile.

Hon. Mr. GRIESBACH: Where was the land to be selected?

Hon. Mr. DANDURAND: I could not give information as to where the land was to be secured. Mackenzie & Mann built the southern portion, extending from their railway to the Saskatchewan river. When I say Mackenzie & Mann, I do not know whether they were working under their own name or under the company's name.

Hon. W. B. ROSS: The Canadian Northern.

Hon. Mr. DANDURAND: They did not proceed farther northward. When the Laurier Government came into power its policy was to abolish land grants, and it proceeded to do so—I have not the text of the law under which it was done and cannot say whether it was under the Dominion Lands Act or not; but all the land grants that had not been earned or were not in the way of being earned were swept away. That was in or before 1908, when the Land Grants Act was consolidated.

In 1907, the then Minister of the Interior, the Hon. Frank Oliver, moved for the revision or consolidation of the Dominion Lands Act, and stated that apparently the road to the Hudson bay was not being built, that no advantage had been taken of the land grant offered, and that this grant, with many others, was being wiped away, but that he intended to fix a rate for the pre-emption of lands covering a certain wide area, which could be secured by the homesteader at $3 an acre, in order to create a special revenue to ensure the building of the Hudson Bay railway. There was considerable discussion of that Bill during the Session of 1907. It was attacked because it was alleged that it interfered with some acquired rights of railway companies that had land grants. Whatever the objections may have been, they were felt to be so strong as to preclude the adoption of the Bill.

In 1908 the Minister of Interior, the Hon. Frank Oliver, came back to the House with amendments modifying and consolidating the Dominion Lands Act. That was known as the Dominion Lands Act of 1908, and when he brought it before the House he explained that in fixing a price upon lands which could

be pre-empted by anyone who was prepared to obtain his patent as a homesteader, it was to create a special new revenue which would go to the building of the Hudson Bay railway, and that it would be fair to the West and fair to the East, inasmuch as that railway would be built with money produced from the sale of those lands. Here is his statement in a few words—I take only an excerpt, for the debate covers a number of columns—which is to be found in Hansard of June 1908. At page 11135, speaking of the Bill of the preceding year, he says:

What I had in view was to place before Parliament a proposition that should put beyond question the fact that we had adequately provided assistance from an entirely new source of revenue to enable the Hudson Bay railway to be built. The pre-emption provision of the Bill of last year was placed in the Bill for the purpose of ensuring and securing the building of the Hudson Bay railway. It was placed there in the room and instead of the provision which had been in the Lands Act since 1882 setting aside a matter of 6,500,000 acres of Northwest lands for the building of the railway. I believe that the proposal I placed before the House, while it was adequate and possibly more than adequate for the purpose, would meet the case in a way that would be acceptable to the people of the West and to the people of the East; that it would not in any way interfere with or hinder or stand against the policy of the government; that every acre of land throughout the Northwest was there for the first actual settler who would come and occupy it on the terms upon which it was offered to him. That is the policy of the Government, and we considered that in presenting the Bill of last year to Parliament we were making adequate provision for aid to the building of the Hudson Bay railway.

Hon. Mr. SCHAFFNER: What is the number of acres set apart?

Hon. Mr. DANDURAND: He spoke of 6,500,000 acres, but it is 6,400 acres per mile, with a special increased grant for the Hudson Bay Railway north of the Saskatchewan river.

Hon. Mr. WATSON: 6,400 and 12,800.

Hon. Mr. DANDURAND: 6,400 south of the Saskatchewan, and 12,800 north of the Saskatchewan to the bay.

He brings in the Bill in a somewhat restricted form to comply with the wishes or to meet the objections of the year before.

Now I read from page 11,138:

The point we have in view in regard to this pre-emption matter is that there shall be a railway built to Hudson bay. If we can get a railway built to Hudson bay without any pre-emption provision at all then I am not insisting upon the pre-emption provision. But I am insisting on the pre-emption provision as a means of ensuring the early building of the railway to Hudson bay.

So it was agreed; and the pre-emption clause went into the Act, and it produced the following result—which may have occurred to honourable gentlemen who have read some of the answers that were made in the other Chamber to various similar questions that were put on the Order Paper there from year to year—that the Department of the Interior stated that there was no land, or no money received for the sale of land, which was earmarked for the Hudson Bay railway. Well, technically that was true. Money came to the Consolidated Revenue Fund, but it flowed to that fund through a policy that was established in 1908 by a Government of which the Minister of the Interior was a member, and for which he was speaking—a policy which had the effect of creating a new source of income which would go to the building of the Hudson Bay railway.

Now, the reply of the Department of the Interior has generally been that there was no specific authority under the Dominion Lands Act, 1908, for the sale of land for the purpose of Hudson Bay railway construction, and by Order in Council of March 16, 1918, P.C. 651, pre-emption and purchased homestead provisions of the Dominion Lands Act were suspended, and these provisions were subsequently deleted from the Act by the amendment of 1918, Chapter 19, Section 28.

As honourable gentlemen will see, the pre-emption clause of the Dominion Lands Act of 1908 stood till 1918, that is to say, for ten years. It was there for the purpose of creating a special source of revenue, I repeat, for the building of the railway.

What has this brought about? The following figures give the answer. While the provisions as to pre-emption and purchase were in force, the Department of Interior disposed of pre-emptions approximating 12,763,040 acres, including entries since cancelled, and as purchased homesteads 1,322,840 acres, approximately, including entries since cancelled. The total price for which these lands were sold was: pre-emptions, approximately $38,289,120; purchased homesteads, approximately $3,968,520. The amounts actually received up to February 28, 1926, on account of these purchases have been: pre-emptions, $16,635,639.39; purchased homesteads, $3,191,648.98, or a total of $19,827,288.37. The balance owing by purchasers is: pre-emptions, approximately $7,000,000; purchased homesteads, approximately $3,000,000; or a total of some $10,000,000.

Right Hon. Sir GEORGE E. FOSTER: Would my honourable friend allow me a question? The honourable gentleman has read the totals of lands sold and purchased under a pre-emption clause, upon which he bases his argument that the product of those lands was to be kept for the building of the Hudson Bay Railway. Would he read that pre-emption clause so that we may have before

our minds just exactly what it says, and just exactly what ground there is for basing his argument upon it? Was it a special pre-emption clause pointing to the retention of moneys for the purpose to which he alluded, or was it simply a general pre-emption and purchase clause?

Hon. Mr. DANDURAND: It was a general pre-emption clause, which covered certain areas in the Northwest, more especially in the dry belt. There was nothing in the Act which said in so many words that the amounts levied on the sale of those lands would be ear-marked or go into a special fund for the building of the railway; but up to that time there was no such fee or price levied upon those lands, and the Minister who presented the Bill said: "I impose that price upon the sale of those lands for the purpose of creating a new revenue which will go towards and be sufficient for the building of the Hudson Bay railroad."

My right honourable friend will not find, in the clause which fixes the fee or price for those lands, the statement that that money will go into a special fund; but the Minister, speaking for the Government, in introducing the Bill, said: "I am creating thereby a new source of revenue which will be distinct, which will be a new creation, which will go to the building of the Hudson Bay railway. We have swept away the land grant of 12,800 acres per mile, and we will replace it by this enactment, by which $3 per acre will be levied henceforth on lands to be pre-empted." This was new legislation, and he affirmed and reaffirmed that as his purpose; and very likely he said so in 1907, because he expressly stated then what he had been fighting for. He reaffirmed it in 1908, and said: "I am bringing a more modest Bill: it does not cover so large an area as my Bill of last year, but I hope that it will do what I have had in mind, and ensure sufficient funds for the building of that railway."

Now, that money has gone into the Consolidated Fund, but I recognize that when the Minister made that statement he thought it was a fair proposition for the West, because it was out of the sale of lands of the West that this money was coming; and that it would also be fair to the East, because the money for the building of that railway would not come from the taxation of the East. It was a project that was dear to the heart of the western provinces, and he felt that he as a westerner was doing the right thing by the East, as he was doing the needed thing for the West by creating a new source of revenue for the building of that railway.

Right Hon. Sir GEORGE E. FOSTER: One other question, for the sake of clearness. That being the intention or wish of the Minister, and that wish or intention having been so stated, is there any record in the Department to show that, from that time on, books of account were kept which allocated the money from those lands, by pre-emptions or by sale, to the purpose for which the Minister had wished it might be dedicated?

Hon. Mr. DANDURAND: I read to my friend the statement which I had in hand showing not only the legislation of 1908, establishing the pre-emption and other conditions for the sale of land for the purposes of the Hudson Bay railway, but also that this legislation, which was applied for 10 years, had produced the figures which I gave. Strange to say, the total money received from that operation, which the Minister, speaking for the Government of the day, said was to go to the building of the Hudson Bay railway, is about the same total which has been spent up to this date upon the railway and the terminals.

Right Hon. Sir GEORGE E. FOSTER: But the Minister has not answered my question.

Hon. Mr. DANDURAND: Well, I have answered so far as my light goes. I repeat what has been stated, that under the provisions of that Act of 1908 $19,000,000 has been collected—to be exact, $19,827,287.37—and that by its provisions there remains due under the operation of that clause some $10,000,000.

Right Hon. Sir GEORGE E. FOSTER: But it does not answer my question for the Minister to say that a certain amount of money has been received. My question was a specific one—were any books of account kept in which were entered from year to year and time to time the proceeds which came from the sale of those lands, which, in the Minister's mind, were dedicated for a certain purpose?

Hon. Mr. DANDURAND: Well, I have not at my elbow the Deputy Minister of the Interior, but, reasoning logically, I would answer in the affirmative, since he states that the pre-emption clauses, which have lasted for 10 years on the Statute Book, have brought such an amount. How could he give us the dollars and cents if he did not have them in his book?

Hon. Mr. SCHAFFNER: The honourable gentleman states that there has been $19,000,000 odd collected?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. SCHAFFNER: Can he state what amount of money has been paid out?

Hon. Mr. DANDURAND: Oh, yes, I will come to that. Does the honourable gentleman mean for the building of the railway?

Hon. Mr. SCHAFFNER: Pardon me. If the honourable leader states that so much money has been collected, are we to understand, as a great many people understand, that it was for the specific purpose of building this railway?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. SCHAFFNER: Then, if there was a certain amount collected, and a certain amount paid out, there must be some books to show those transactions.

Hon. Mr. DANDURAND: I make this distinction. Undoubtedly the books of the Lands Branch of the Department of the Interior will show to a cent all that has been sold under that clause of the Act of 1908, the pre-empting clause, and all that has been collected definitively or on account, and all that is owing; but the proceeds of these sales went into the Consolidated Fund, the general fund of the country, and from that general fund amounts were spent from year to year on the building of the Hudson Bay railway. The details of the recepit of those moneys could be had from the Department of the Interior, and the spending of the money was through the Finance Department, under orders from the Railway Department.

Hon. Mr. TANNER: I understand my honourable friend to say that certain lands were appropriated for the construction of this railway.

Hon. Mr. DANDURAND: Not exactly so.

Hon. Mr. TANNER: I am coming to that. What I want to know is whether that pre-emption clause referred to the lands in specific terms or by specific decription, so that, as it were, they were cut out of a great acreage of the western country, and could be located by surveyors, and laid out, or was it a general charge on some vast area of land? If my honourable friend understands what I mean, was there a specific allocation of land described?

Hon. Mr. DANDURAND: I have just sent for the Dominion Lands Act; but on reading the explanations which the Minister of the Interior gave of the Bill he had in hand, I see he referred to the larger area which his Bill covered in 1907, under which homesteaders could secure pre-emptions. As he met with numerous objections because of the extent of the area, he restricted the area in which pre-emptions could be secured, and applied that pre-emption privilege mostly to the dry area extending from as far north as Saskatoon and as far south as near Calgary and eastward. I suppose my honourable friend will find in the Dominion Lands Act a description of the territory in which pre-emption privileges might be obtained. There is no special area surveyed, but a general large region is indicated. What is most interesting for this Chamber is to know the amount of purchase money which under that Act was to go to the building of the Hudson Bay railway, because that is what we are discussing at present.

Answering some other questions, I may say that the Hudson Bay railway, to which the vote refers, that is, the one-twelfth of the provisional supply, is the road projected between Le Pas and Port Nelson, 424 miles. It does not include the 87 miles between Hudson Bay Junction and Le Pas, built by Mackenzie & Mann between 1906 and 1908. In August, 1911, the Laurier Government let the first contract for construction from Le Pas to Thicket Portage, 185 miles. In August, 1912, the Borden Government let the contract for the second section, from Thicket Portage to Split Lake Junction, 68 miles. In December, 1912, the contract for the final section, from Split Lake Junction to Port Nelson, 271 miles, was entered into. Work on the harbour terminals was closed down in the fall of 1917, and on the railway in October, 1918, a month before the war ended. By that time, track had been laid to Mile 332, at Kettle River rapids, including the bridge over the Nelson river at that point. Between 332 and Port Nelson, 92 miles, the right of way had been graded. The road was turned over to the Canadian Northern Board for operation when taken off the hands of the contractor. It is an integral part of the original Canadian Government Railways, and, with such other lines as the Intercolonial and Transcontinental, is now managed and operated for the Government by the Canadian National Railway Board. A fortnightly mixed service is given between Le Pas and Pitwitonei, mileage 214.

I have in my hand a statement showing the expenditure on the Hudson Bay railway per year, starting in 1909, and on the Port Nelson terminals, starting in 1913. I think the figures of expenditure begin in 1913 be-

cause of the decision which was arrived at by the Minister of Railways at that time, Hon. Mr. Cochrane, who stated before the Special Committee of the Senate:

It was during my term of office that the Port of Nelson was selected as the terminal of the Hudson Bay railroad. The selection was finally decided by me largely on the report of engineers. I went myself to both places, Nelson and Churchill. The Port of Nelson was nearer and the railroad would be shorter. The engineer reported that it would be necessary to cross the bad lands for a long distance, where the bottom was all the way down from six to ten feet before you got to anything like hard stuff, and I thought the building of the road would be a very difficult proposition.

This is the statement of the Honourable the Minister of Railways, who said that in 1912 he decided in favour of Nelson.

I may add that the credits mentioned in several places in the following statement were for goods that were sold as being no more needed:

HUDSON BAY RAILWAY AND PORT NELSON TERMINALS—CAPITAL EXPENDITURE TO MARCH 31, 1925

Year ending	Hudson Bay Railway	Port Nelson Terminals	Total
	$ cts.	$ cts.	$ cts.
Government expenditure, 1909	92,427 83	.....	92,427 83
1910	53,042 63	.....	53,042 63
1911	184,149 81	.....	184,149 81
1912	159,632 00	.....	159,632 00
1913	1,009,024 52	90,038 63	1,099,063 15
1914	3,071,631 22	1,427,086 03	4,498,717 25
1915	3,256,074 39	1,517,669 60	4,773,743 99
1916	2,981,425 47	1,905,706 30	4,887,131 77
1917	1,792,190 39	812,089 55	2,604,279 94
1918	1,288,789 61	590,909 39	1,879,699 00
1919	641,318 69	(Cr.) 78,760 89	562,557 80
1920	(Cr.) 247,153 67	11,545 19	(Cr.) 235,608 48
1921	.....	(Cr.) 121,063 71	(Cr.) 121,063 71
1922	61,563 43	34,769 87	96,333 30
1923	13,824 94	27,802 56	41,627 50
1924	183,250 35	24,621 93	207,872 28
1925	(Cr.) 53,848 38	2,184 04	(Cr.) 51,664 34
	14,487,343 23	6,244,598 49	20,731,941 72

I will add to this, but will not read, the details of the expenditures upon the railway, so that my honourable friends will have the whole statement of expenditure from year to year, and the names of the parties to whom the money went:

STATEMENT OF CAPITAL EXPENDITURE ON HUDSON BAY RAILWAY TO 31ST MARCH, 1925

Date of Contract	Contract Number	Name	Particulars	Amount paid on contract	Total Expenditure
				$ cts.	$ cts.
Sept. 25, 1911	19230	J. D. McArthur.....	Construction of Line from Le Pas to Thicket Portage.	3,516,482 81	.....
Sept. 20, 1912	19638	"	Thicket Portage to Split Lake Junction.	2,296,745 37	.....
Dec. 17, 1912	19799	"	Split Lake Junction to Port Nelson.	3,491,549 32	9,304,777 50
Nov. 5, 1910	18716	Mackenzie, Mann & Co.....	Substructure of Le Pas Bridge..	110,637 94	.....
April 9, 1912	19421	Canada Foundry Co., Ltd.....	Superstructure of Le Pas Bridge.	184,288 45	294,926 39
Mar. 24, 1915	21288	Canadian Bridge Co., Ltd.....	Bridge over Manitou Rapids....	137,971 85	.....
July 14, 1916	21978	" "	Bridge over Kettle Rapids.....	323,343 00	461,314 85
			Rails.....	.....	2,033,898 25
			Track fastenings.....	.....	409,408 99
			Frogs and switches.....	.....	28,739 99
			Other expenditures.....	.....	1,954,277 26
			Expenditure on Railway....	.....	14,487,343 23
			Port Nelson Terminals.....	.....	6,244,598 49
			Total expenditure.....	.....	20,731,941 72

In addition, there was expended since 1918, on capital expenditure such as ties, rails, etc., $457,171.78, which brings up the expenditure to December 31st, 1925, to a total of $21,189,-113.50. As I said, this does not go very far beyond the figures that I gave as having been received for the sale of land, the proceeds of which were to go to the building of the railway.

Hon. Mr. GORDON: Might I ask the honourable Minister if the amount he has just mentioned is for actual construction, and does not include any deficit on the road while it has been in operation during that time?

Hon. Mr. DANDURAND: In the operation of the first 214 miles a deficit has been with us annually, and it is contained in the operating expenses. The operating results for last year were: revenues, $45,759.59; expenses, $79,974.24; deficit, $34,214.65. Maintenance is included in these figures.

Hon. Mr. GORDON: That is for the one year?

Hon. Mr. DANDURAND: That is for last year, 1925.

Hon. Mr. GORDON: Has the honourable gentleman the deficit of each year?

Hon. Mr. DANDURAND: I think I can procure that before the third reading of the Bill.

Hon. Mr. WILLOUGHBY: Is it indicated whether that is merely for the construction of the railway, the land set aside and the moneys appropriated, if such appropriation there be, or whether it is for the opening of the route plus the building of the railway? Does it include the marine end as well as the land? We have spent only some $20,000,000 all told, I think, up to the present time.

Hon. Mr. DANDURAND: We have spent only $14,000,000 on the railway.

Hon. Mr. WILLOUGHBY: Yes, and the rest on the harbour.

Hon. Mr. DANDURAND: The rest on the harbour. We shall have plenty of time to discuss, within these walls and outside, the advisability of reconsidering the question of the port which should be the terminus of the railway. I give that as my personal view, because there is very much to be said against the port of Nelson, and I hope there are also some very good things to be said for it. I trust that when the matter comes to a finality we shall have occasion to discuss the question whether Port Nelson or Fort Churchill should be the location.

Hon. Mr. GRIESBACH: I would like to ask again the question which was raised first. The Minister is no doubt aware that throughout the years the argument has been that this railway was so far built that it would ultimately be constructed out of the proceeds of the sale of lands set apart for the purpose. I was not very strongly impressed with the evidence which the Minister put before the House as to that. Am I to understand that he relies solely upon the speech of the then Minister of the Interior, or does he intend to submit further evidence later on, either from the statutes themselves or from the method of book-keeping or accounting, or something else, to show that as a matter of fact the moneys from the sale of these lands were actually set aside for the building of this railway or any railway? In the meantime the honourable gentleman seems to interpret the statute by what was said about it in Parliament. That is not good form in court, and it is scarcely sufficient evidence now that these lands were set apart for that purpose and for no other.

Hon. Mr. DANDURAND: My honourable friend will have to be satisfied with two outstanding facts. A Bill presented by a Minister representing the Government was passed by Parliament on the assertion that the policy embodied in it was to create a new source of revenue to be applied to a certain end. I do not know that a government could do anything more solemn than to express clearly what it intends in presenting legislation. That declaration went unchallenged and the legislation passed with that condition attached and on the understanding that the money levied was for a certain purpose. I have nothing but the Government policy as expressed by the Minister who had the Bill in hand. He stated that the land grant which had been given for the building of the railway was wiped out, but was replaced by a new source of revenue in order that the Hudson Bay railway might be built. That is all that I can present to my honourable friend. I think that the country at large took the statement then for what it was worth as an official declaration of policy.

Hon. Mr. GORDON: May I inquire in what provinces were these lands? I should like to know also if the figures given as to the acreage represent the total area of land that was sold in those provinces during that time. And what were the specific areas?

Hon. Mr. DANDURAND: I am giving answers which I think cover the questions that were put to me. If my honourable friend wants to obtain more minute details he will kindly let me know in what particulars, so that I may obtain them for him if possible.

Hon. Mr. GRIESBACH: The answer is contained in the Dominion Lands Act, which mentions the lands of the Dominion of Canada in the provinces of Manitoba, Saskatchewan and Alberta.

Hon. Mr. DANDURAND: My honourable friend put an extended question. To the first part of his question I may say that from my reading of the speech of the Hon. Mr. Oliver at the time, and from the description he gave, I understand that part of Saskatchewan was covered. However, we can find out by looking at the Dominion Lands Act.

Hon. Mr. GORDON: My question was, in what provinces are these lands that were sold? Are there some of these lands in each province?

Hon. Mr. DANDURAND: These lands were under the control of the Dominion of Canada.

Hon. Mr. GORDON: I know, but is the acreage which the honourable gentleman mentioned as being sold all the acreage which was sold in these provinces at that time?

Hon. Mr. DANDURAND: Of course, I cannot apportion it by provinces, but I could get that information for my honourable friend before the third reading, if we took the second reading now.

Hon. Mr. GORDON: Yes.

Hon. Mr. HUGHES: Would these lands have been sold and would the money have come to the Dominion Treasury if the building of the Hudson Bay railway had not been under consideration?

Hon. Mr. DANDURAND: Of course, I do not know what would have been the policy of the Government of the day, or of the following Governments; but in the opinion of the Government of the day it was necessary to raise some money for the building of that railway, and the Minister indicated that mode and presented it in the statute.

Hon. Mr. HUGHES: Were these public lands available for the purposes of settlement and were they for sale in any event?

Hon. Mr. DANDURAND: They were not for sale, generally speaking. I have not the Statutes under my hand. People were clamoring for a larger area than the quarter-section, and the law prevented them from getting a second quarter-section. Under this Act it was provided that they should be enabled to get another quarter-section by pre-emption at a certain price, and for the first time they were made to pay for the privilege of obtaining a second quarter-section; but at the same time the consideration in the mind of the Minister was to raise some money for the building of the Hudson Bay railway.

Hon. Mr. GRIESBACH.

Hon. Mr. GORDON: Am I to understand that if the Hudson Bay railway had not been started these lands would not have been sold?

Hón. Mr. WATSON: Hear, hear. That is right. That was a necessary inducement.

Hon. Mr. GORDON: If the building of the Hudson Bay railway had not been started, would these lands in question have been sold?

Hon. Mr. DANDURAND: That is a hypothetical question, which I can hardly answer— what Parliament would have decided at a particular session if it had decided in the previous year that there should be no Hudson Bay railway.

Hon. Mr. GORDON: Did the building of the road facilitate the selling of these lands?

Hon. Mr. WATSON: Yes.

Hon. Mr. DANDURAND: That I am unable to say. My honourable friend from Portage la Prairie (Hon. Mr. Watson) answers in the affirmative. I cannot say, because I do not know to what extent the land which would come under the pre-emption clause was situated in Manitoba or near that railway.

Hon. Mr. GORDON: Perhaps the honourable leader would allow the honourable gentleman from Portage la Prairie, then, to answer that question.

Hon. Mr. WATSON: I simply say that the prospect of getting the Hudson Bay railway was the inducement for many people to purchase those lands at $3 an acre.

Hon. Mr. GRIESBACH: But none of that pre-empted land was sold in the Hudson Bay area.

Hon. Mr. DANDURAND: That is why I cannot answer that question.

Hon. Mr. GRIESBACH: The Statute itself outlines the area. The reason why the policy was adopted, apart from the purpose of raising funds, was to give people who occupied areas in Western Canada that were not very productive an opportunity of clearing more land to add to their present holdings. The pre-emption law did not apply to other parts of the country, where an area of 160 acres was sufficient.

Hon. Mr. DANDURAND: It is estimated that $3,000,000 are required to re-condition and complete the line to the present end of track at mile 332. Ties, and the placing of them, on this part of the line will require about a million dollars. There are at present no engine terminals, water stations, nor suit-

able passenger facilities. A good deal of ballasting is also necessary; banks require to be widened and sags raised; also warped rails to be replaced. The estimate of $3,000,000 is intended to cover as much of this work as it is possible to accomplish this season.

The work of re-conditioning and completing to Mile 332 works out on an average of a little less than $10,000 a mile. To complete to Mile 214 would, on that basis, require about $2,000,000. Two-twelfths of the present vote of $3,000,000 would be $500,000.

To Mile 214 the road is in shape for trains to run over, provided great care is taken. From Mile 214 to Mile 332 the road is now in such shape that it is impossible to safely operate trains over it, owing to the condition of the rails and roadbed. It may therefore be assumed that the cost of re-conditioning from Mile 214 to Mile 332 will be greater per mile than from Le Pas to Mile 214. However, it is quite clear that much more than two-twelfths of the vote will be required between Le Pas and Mile 214.

Hon. Mr. SCHAFFNER: Did the honourable gentleman state about what it would cost to continue the road from Le Pas to Mile 214?

Hon. Mr. DANDURAND: About $10,000 a mile.

My honourable friend from St. John (Hon. Mr. Daniel) asked me whether it was intended to treat the Hudson Bay railway as a colonization road and not as an ocean outlet. As to that, it can be stated that it is the policy of the Government to complete the railway to the port, although the amount at present in the Estimates will not accomplish that object. As to further expenditure on port facilities, that is not contemplated in the Estimates now before the House. It is the intention to do the work covered by the present Estimates with the railway's own forces.

As I have stated, we shall perhaps have an opportunity next Session—I am speaking now on my personal responsibility—to discuss the whole question of Port Nelson.

With this explanation, which I have made as full as possible, I would ask you to take the second reading of the Bill, and would suggest that the third reading be put off till Tuesday evening next, so that anyone who desires to examine these figures and express an opinion on any of the various questions that they cover may have plenty of time to do so.

Hon. Mr. McLENNAN: Did I understand that about half a million dollars would bring the road into a proper state to the point to which the train is now running?

Hon. Mr. DANDURAND: No; I said that $500,000 represents two-twelfths, or one-sixth, of the total subsidy of $3,000,000, and it will be absorbed in that first section up to Mile 214.

Hon. Mr. McLENNAN: One other point: could the honourable gentleman tell us the date of the debate in which Mr. Oliver made that statement?

Hon. Mr. DANDURAND: It was on the 23rd of June, 1908. The debate starts at page 11125 of Hansard, under the head of "Dominion Lands Act Amendment." I have read from page 11135 to page 11138.

Hon. W. B. ROSS: Is the undertaking as given in the other House renewed here? That is to say, are these interim Supply Bills just for the purpose of enabling the Government to carry on, and is it understood that they will not incur expenditures on anything new?

Hon. Mr. DANDURAND: I may say that whatever the honourable gentleman and myself stated with regard to the first twelfth covers this twelfth also.

Hon. Mr. CURRY: Has the honourable gentleman any estimates of the probable cost of the completion of the entire railway to the harbour of Port Nelson?

Hon. Mr. DANDURAND: No, I have not. As to the harbour at Port Nelson—

Hon. Mr. CURRY: It might run into $8,000,000, $10,000,000, or $12,000,000.

Hon. Mr. DANDURAND: We might have a discussion upon that at next session. The present Bill does not cover it.

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

The Senate adjourned until Tuesday, May 11, at 8 p.m.

THE SENATE

Tuesday, May 11, 1926.

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

Prayers and routine proceedings.

DEMISE OF QUEEN ALEXANDRA

THANKS OF HIS MAJESTY THE KING FOR THE ADDRESS OF THE SENATE AND THE HOUSE OF COMMONS

The Hon. the SPEAKER presented the following communication from the Secretary of His Excellency the Governor General:

Ottawa, 6th May, 1926.

Sir,—I am desired by His Excellency the Governor General to inform you that the Address of the Senate

and House of Commons expressing their profound regret and deep sorrow at the death of Her Majesty the Queen Mother was duly laid at the foot of the Throne. His Majesty the King was profoundly gratified at its terms and commanded that his most sincere thanks should be communicated to the Members of the Senate and House of Commons for the sympathy expressed with him and with the Royal Family in their sad loss.

I have the honour to be, Sir,
Your obedient servant,

A. F. SLADEN
Governor General's Secretary

The Honourable
The Speaker of the Senate,
Ottawa.

PRIVATE BILLS

FIRST READINGS

Bill M4, an Act respecting the Quebec, Montreal and Southern Railway Company.—Hon. Mr. Béique.

Bill H5, an Act to incorporate the Detroit and Windsor Subway Company.—Hon. Mr Haydon.

DIVORCE BILLS

FIRST READINGS

Bill F4, an Act for the relief of Mabel Ellen Barrett.—Hon. Mr. Gordon.

Bill G4, an Act for the relief of Mabel Victoria Westerby.—Hon. G. V. White.

Bill H4, an Act for the relief of Morgan Hart.—Hon. Mr. Mulholland.

Bill I4, an Act for the relief of James Arthur Breadon.—Hon. W. B. Ross.

Bill J4, an Act for the relief of Marjorie Esther Splan.—Hon. W. B. Ross.

Bill K4, an Act for the relief of Gladys Orme.—Hon. W. B. Ross.

Bill L4, an Act for the relief of John Andrew Reid.—Hon. Mr. Schaffner.

Bill N4, an Act for the relief of William Thomas Charlton Spence.—Hon. Mr. Schaffner.

Bill O4, an Act for the relief of Gladys Lucie White.—Hon. Mr. Schaffner.

Bill P4, an Act for the relief of Robert Stewart McIntyre.—Hon. Mr. Schaffner.

Bill Q4, an Act for the relief Goldie Luella Russell.—Hon. Mr. Schaffner.

Bill R4, an Act for the relief of Arthur Atkinson.—Hon. Mr. Schaffner.

S4, an Act for the relief of Lillian Edith Hudgin.—Hon. Mr. Laird.

T4, an Act for the relief of Mary Booth.—Hon. Mr. Haydon.

U4, an Act for the relief of Bernard Ernest Sleeth.—Hon. Mr. Haydon.

Bill V4, an Act for the relief of Elsie Fray.—Hon. Mr. Haydon.

Bill W4, an Act for the relief of Cecilia Marrie Peters Kendall.—Hon. Mr. Haydon.

The Hon. the SPEAKER.

Bill X4, an Act for the relief of Elias Malky.—Hon. Mr. Haydon.

Bill Y4, an Act for the relief of George Elgie Dulyea.—Hon. Mr. Haydon.

Bill Z4, an Act for the relief of Ethel Beatrice Walker.—Hon. Mr. Haydon.

Bill A5, an Act for the relief of John Wilson.—Hon. Mr. Haydon.

Bill B5, an Act for the relief of John Sydney Wright.—Hon. Mr. Haydon.

Bill C5, an Act for the relief of Alice Victoria McGibbon.—Hon. Mr. Haydon.

Bill D5, an Act for the relief of Lillie Torrance Cascadden.—Hon. Mr. Haydon.

Bill E5, an Act for the relief of James Thomas Young.—Hon. Mr. Haydon.

Bill F5, an Act for the relief of Copland William Evans.—Hon. Mr. Haydon.

Bill G5, an Act for the relief of Arthur John Harman.—Hon. Mr. Haydon.

CANADIAN AMBASSADOR TO UNITED STATES

INQUIRY

Hon. Mr. MACDONELL inquired of the Government:

1. Is it the intention of this Government to appoint a so-called Ambassador or Minister Plenipotentiary to the United States of America?
2. If so, when?
3. If so, what will be the annual cost to the taxpayers of this Dominion in salaries, allowances, rentals, etc., in connection with such Embassy?
4. Has the Government any information as to any possibility of the United States appointing an Ambassador to Canada?
5. Has there been any correspondence exchanged between this Government and the Imperial authorities with regard to representation at Washington?

Hon. Mr. DANDURAND: I may here and now remind my honourable friend that the Borden Government settled definitely all details of the representation of Canada at Washington with the British and American authorities. As to the other questions, I will in due time answer them.

Hon. Mr. MACDONELL: I am quite aware of what the honourable Minister says, but there have been from time to time appearing in the press reports of the appointment of an Ambassador to the United States, and I am inquiring whether an appointment is to be made or not, and if so, when.

The inquiry stands.

SASKATCHEWAN NATURAL RESOURCES

MOTION FOR RETURN

Hon. Mr. WILLOUGHBY moved:

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

1. All correspondence from January 1, 1915, until present time between the Government of the Province

of Saskatchewan and the Dominion Government dealing with a return by the latter to the former of the natural resources of the Province of Saskatchewan.

2. What verbal negotiations, if any, are now being held, or have been held during the years 1921-26, relating to same matter.

3. What offer, if any, has been made by the Government of Canada to the Government of Saskatchewan to return said natural resources, 1921-26.

4. What basis of settlement, if any, has been offered by the Province of Saskatchewan to the Government of Canada, 1921-26.

The motion was agreed to.

SASKATCHEWAN AND THE FISCAL POLICY OF CANADA

MOTION FOR RETURN

Hon. Mr. WILLOUGHBY moved:

That an Order of the House do issue for a return of all resolutions on the part of the Legislative Assembly or Government of Saskatchewan from January 1, 1912, to present time in reference to the fiscal policy of Canada and transmitted to the Government of Canada and the replies, if any, thereto.

The motion was agreed to.

DEATH OF HON. WILLIAM MITCHELL

TRIBUTES TO HIS MEMORY

Hon. Mr. DANDURAND: Honourable gentlemen, we deplore this day the death of an old colleague of ours, who sat in this Chamber for more than twenty years, the Hon. William Mitchell. He was a son of the province of Quebec, and of that very interesting section of that province called the Eastern Townships. He was, in the full sense of the word, a self-made man. He developed a large lumbering business, and for the purpose of his operations he interested himself in the building of the Drummond Counties Railway. His main object was to tap the timber limits, but the line was so well located that it was purchased as a link between Levis and St. Hyacinthe by the Intercolonial Railway.

Senator Mitchell's home was in the pretty little town of Drummondville, in which he was chiefly interested. He became Chairman of the Protestant Board of Education of that municipality, and out of his own resources he built a school and provided for its maintenance.

The late Senator had a very great circle of friends because of his geniality, his kind heart, and his loyalty. When in good health he attended the Senate regularly, and we had the advantage of his mature judgment and his business experience.

A good and public-spirited citizen has left us. Sickness within the last two years kept him mostly within the hospital. His resignation to his fate was admirable, and he received all his friends with an ever-present smile.

We extend to his widow and to his family our most sincere sympathy.

Hon. W. B. ROSS: Honourable gentlemen, I wish to associate myself with the honourable leader of the Government in extending to the widow and family of the late Senator Mitchell our expression of sympathy in their loss. I knew Senator Mitchell well for over thirty years. He was a very kindly man, one whom I was always glad to meet, and I can sincerely say that I personally feel the loss of our friend by death. I wish to join in the expression of our sympathy with the widow and family in the great loss which they have sustained.

APPROPRIATION BILL No. 2

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 96, an Act for granting to His Majesty a certain sum of money for the Public Service of the financial year ending the 31st March, 1927.

He said: Honourable gentlemen, in my remarks last week on the second reading of this Bill I mentioned the expenditure that had been made in the port of Nelson. Remembering that considerable criticism had been heard over the selection of that port, I stated that probably before we came to the point of equipping the port we would have occasion to discuss the matter again in this Chamber. I notice that in some newspaper the statement has been made that, speaking for the Government, I said we would take up the matter of the port, and finally decide as to what terminus should be selected, as between Fort Churchill and Port Nelson. Of course, I simply made the statement which appears in Hansard, and which at the time I stated to be my personal view. As a matter of fact the Government has not yet approached the question, either from far or near. I simply thought that when we came to that point a discussion might arise in this Chamber as well as in the other over the justification for the selection of the port. I stated that Port Nelson had been selected by the late Hon. Mr. Cochrane, who had declared before a Committee of this Chamber that the selection was made after he had visited the two ports.

I was asked if in the Act of 1908 there had been any special area described in which preemptions could be secured for quarter-sections. At the moment I had not the Act before me, but in answer to that question I will point to section 27 of chapter 20, 1908, of the Do-

minion Lands Act. The description is there fully given. It is, as stated, a territory which is adjacent to the American line, and I have a plan, which I will lay on the table, showing exactly the area described in the Act. It is on the dividing line between Saskatchewan and Alberta.

I was asked also if I could indicate what had been sold in Alberta, and what had been sold in Saskatchewan. I have two statements which completely answer that question. If additions are made of all these figures, they may not exactly tally with the statement which I read last week, but the explanation is simple, that that statement was as of the 28th February, while this one is as of the 31st March, 1926. Moneys have been since collected on account, which increase the amount. I need not read these figures; they are practically those that I gave as a whole, while these are now simply separated, because I was asked what had been collected from the sale of Saskatchewan lands, and what from the sale of Alberta lands.

Hon. Mr. GILLIS: You might give us the total for each province.

Hon. Mr. DANDURAND: The totals appeared last week, and they vary very little. I will give the statements. The statement regarding Alberta is as follows:

Statement of Pre-emptions and Purchased Homesteads in the Province of Alberta, under the Dominion Lands Act, 1908, as at the 31st March, 1926.

Pre-emptions—	
No. of pre-emption entries in the Province of Alberta	12,449
Area thereof approximate—acres	1,991,840
Gross revenue received	$5,432,681 98
Approximate amount of arrears due—principal	1,439,821 55
Approximate amount of arrears due—interest	752,760 16
Purchased Homesteads—	
No. of purchased homesteads in the Province of Alberta	1,919
Area thereof—approximate—acres	307,040
Gross revenue received	$1,027,431 63
Approximate amount of arrears due—principal	54,166 04
Approximate amount of arrears due—interest	25,833 75

Here is the statement regarding the province of Saskatchewan:

Statement of Pre-emptions and Purchased Homesteads in the Province of Saskatchewan, under the Dominion Lands Act, 1908, as at the 31st March, 1926.

Pre-emptions—	
No. of pre-emption entries in the Province of Saskatchewan	25,640
Area thereof—approximate—acres	4,102,400
Gross revenue received	$11,375,347 56
Approximate amount of arrears due—principal	2,965,887 14
Approximate amount of arrears due—interest	1,497,941 05
Purchase Homesteads—	
No. of purchased homesteads in the Province of Saskatchewan	4,578
Area thereof—approximate—acres	732,480
Gross revenue received	$2,346,982 36
Approximate amount of arrears due—principal	146,744 91
Approximate amount of arrears due—interest	80,946 75

Hon. Mr. DANIEL: Were these amounts obtained from sales of land and pre-emptions absolutely ear-marked and laid aside for the building of the Hudson Bay railway?

Hon. Mr. DANDURAND: I will try to repeat as clearly as possible what did take place. The Minister, in wiping out the land grant for the building of the Hudson Bay railway north of Saskatchewan, from Le Pas to the Bay—that grant being 12,800 acres per mile—declared that he was substituting for that land grant a certain area of land which he described, and which I could read to my honourable friend if he desired it, where pre-emptions could be obtained for $3 an acre, thus creating a new source of revenue which would go towards the building of the Hudson Bay railway. In the previous year, 1907, the Minister had, by his Bill, covered a large area; but objections were formulated, and in 1908 he brought in this Bill, and said that he hoped there would be a sufficient return from the sale of those lands to secure the building of the Hudson Bay railway.

Now, I have given the figures showing what the lands have produced. The Minister described the area, and the plan on the table indicates exactly what it is. The description in the Act is as follows:

Commencing where the west line of range twenty-six west of the fourth principal meridian intersects the international boundary; thence east along the international boundary to its intersection with the Minneapolis, St. Paul and Sault Ste. Marie Railway; thence northwest along the said railway line to its junction with the main line of the Canadian Pacific Railway; thence west along the Canadian Pacific Railway to the third principal meridian; thence north along the third principal meridian to the north line of township forty-four; thence west along the north line of township forty-four to the Calgary and Edmonton Railway; thence south along the Calgary and Edmonton Railway to its intersection with the west line of range twenty-six west of the fourth principal meridian; thence south along the west line of the said range twenty-six to the international boundary: Provided also that this right to obtain entry for a pre-emption shall not apply to any township in which an area of eight square miles or more has been accepted by any railway company as part of its land grant:

Provided further that, when conditions obtaining in any township are such as to make the requirements of fifty acres of cultivation excessive, the Governor in Council may fix a lesser area in respect of that township.

This was the area which by this Act was affected, under that new policy for the building of the Hudson Bay railway. The Act did

not say that that money would go into a special fund; but the Minister, speaking for the Government of the day, said that he hoped to secure sufficient from the sale of lands under that plan for the building of the railway. That is all that I can state; it is the policy which brought about the enactment of Parliament in 1908.

Now, the money was not put into a special fund—not ear-marked as a special fund. It went into the Consolidated Fund. I recognize that any subsequent Government could have decided to alter the policy, with the sanction of Parliament, which is supreme: but Parliament did not alter that policy, but proceeded to carry it out in the following year in the building of the Hudson Bay railway, and it was continued by the three Governments that followed. From 1909 to 1918, from year to year, the work of the Hudson Bay railway went on concurrently with the receipt of the moneys from the sale of those lands that were to be levied on for that purpose.

With these few remarks and explanations, I move the third reading of this Bill.

Hon. Mr. HUGHES: I would like to ask the honourable Minister one or two questions. By the resolution passed by Parliament in 1882 or 1884, 12,800 acres of land per mile were offered to any company that would build this railway, and this land was to be north of the Saskatchewan river.

Hon. Mr. DANDURAND: Of that I am not sure. I cannot say where it was to be taken.

Hon. Mr. HUGHES: It was to be north of the Saskatchewan river. The land that was to be given south of the Saskatchewan river was 6,400 acres per mile. The reason, I think, that 12,800 acres were given north of the Saskatchewan river was because the land was not quite so valuable.

Hon. Mr. DANDURAND: Is my honourable friend making an affirmation or putting a question?

Hon. Mr. HUGHES: I started out to put it in the form of a question, and the honourable Senator said he was not able to answer. Then I made an affirmation to a certain extent, and on that I am going to build.

Hon. Mr. DANDURAND: Before my honourable friend prepares the basis of an argument, I would like him to look at the statute which states where that land is to be taken, because I do not know.

Hon. Mr. HUGHES: What I wish to ask the honourable Senator is this. Provided the land that was allotted for the building of the railway was to be north of the Saskatchewan river and in the province of Manitoba, what was the reason for changing that and pre-empting lands in the provinces of Saskatchewan and Alberta? Was it because the lands in Alberta and Saskatchewan were more valuable and more easily sold than the lands that were first given for the construction of the railway?

Hon. Mr. DANDURAND: I can not answer my honourable friend, because I have not the statute which granted the land in 1882. For that reason I cannot say for certain where it was to be located. But I would draw the attention of my honourable friend to the fact that this land which is mentioned in the Dominion Lands Act of 1908 is described by the Minister of the time as being in the dry belt. I do not know whether this indicated a land of greater or less value than other lands, and I do not want to express any judgment as to the value of that land. All I know is that he gives his reason for limiting the area to that section.

Hon. Mr. GORDON: But there is no evidence at all in the Act that when Parliament passed it the intention was to use the money produced to build the road. As I understand from the statement which the honourable gentleman has made, it was the policy of the Minister of the Interior, and he expressed the hope that the money derived from that source might be used.

Hon. Mr. DANDURAND: No, not might —that it would.

Hon. Mr. GORDON: But Parliament in passing that Act never said it would be used for that purpose.

Hon. Mr. DANDURAND: Parliament passed that Act upon the declaration of policy of the Government that brought it down. Here is the Minister, who, speaking for the Government, brings down an Act with certain money clauses in it, and declares to what purpose that money will be applied, and why he is bringing forward this legislation. Parliament listened to the statement made by the Minister, representing the Government, and accepted the policy and voted that law.

Hon. Mr. GORDON: Is it not a fact that every Act must stand upon its own foundation and the language expressed in it? There is nothing in the Act at all to show that this land was being sold only for that purpose.

Hon. Mr. DANDURAND: I will answer my honourable friend, I think to his satis-

faction. The Act itself does not say where the money will go. That being so, the money went into the Consolidated Fund of the country, but yearly Parliament stood by the policy enunciated by the Minister, and for ten years and more voted the money for the building of the railway. A new source is indicated which will produce a sufficient amount for the building of the railway, and year by year Parliament sustains that policy and votes the money taken out of the Consolidated Fund, and yearly the policy brings forth its fruits, and similar amounts are received from the sale of those lands. I cannot understand the purpose of the question of my honourable friend, because it is a policy that is fair to the West because the West which is bent on building that railway will produce the money for the construction of it, and that is fair to the East, which will not be taxed for that railway which diverts trade towards the north. And from the moment, that polciy was initiated and the money spent, it was with my honourable friend's concurrence. He was in the House of Commons. Did he demur to the policy and say that he was not bound by the Act—that he wanted the money to go elsewhere, that he wanted the railway, but wanted it built out of other money? No, my honourable friend himself accepted that policy.

I see that in 1908 the honourable gentleman from Boissevain (Hon. Mr. Schaffner) was in the House and participated in the discussion. I am under the impression that the leader of my honourable friend said that with that money or any other money the railway would be built. At all events, the money was obtained through the new source of revenue created by that Act, and the railway was built so far as it has gone, and with the concurrence of my honourable friends. What does it matter, I wonder? What is the interest that lies back of my honourable friend's mind when he raises a question as to this money being ear-marked. It has gone to the Consolidated Fund and to the railway.

Hon. Mr. DANIEL: How many railways were mentioned in the Dominion Lands Act? Was the Hudson Bay railway mentioned, and, if so, was it mentioned alone?

Hon. Mr. DANDURAND: I do not believe there were any mentioned in the Dominion Lands Act, but there was one mentioned when the Act was amended.

Hon. Mr. GORDON: My honourable friend must know that there was no other place for the money to come from than the Consolidated fund. But why was this money used for that purpose? It came from the general fund and was not ear-marked.

Hon. Mr. DANDURAND: There is no question but that the railway could have been built out of the general fund; but when this new source of income produced $19,000,000 or $20,000,000 and the minister said, "I am creating that new source of income to build that railway," even though the money did not go into a special fund, but has gone through the Consolidated Fund, it has found its way to the railway.

Hon. Mr. GORDON: Before that Act was passed considerable land in those provinces had been sold, and I would like my honourable friend to tell me the difference in the wording of the different Acts that were passed. . Was this Act differently worded?

Hon. Mr. DANDURAND: I stand subject to correction, but my information is that there was no land sold prior to this Act—that this was a new policy. People had been getting homesteads for nothing, but they were clamouring for second homesteads, which the law refused them, and the minister said: "I will give them their second homesteads under certain conditions. They may pre-empt a neighbouring lot, and when they have executed their application and are entitled to a patent on their homestead, they may pre-empt under certain conditions which are stated in the Dominion Lands Act." This was a new policy. I believe it was the first time that lands were sold.

Hon. Mr. DANIEL: Was not the new policy simply to give these people a chance to buy pre-emptions? Was not the pre-emption the new part of the policy?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. DANIEL: Not the mere selling of the land. It was the giving to the land-holder of an opportunity of obtaining a pre-emption. It is the pre-emption that is new.

Hon. Mr. GILLIS: For a number of years, beginning about 1880 or 1882, a settler could get a pre-emption in addition to his homestead at a dollar an acre. I cannot say for just how long that law existed, but it was for a number of years.

Hon. Mr. McCORMICK: I would like to know whether any of this $3,000,000 vote was applied to the building of the 92-mile link?

Hon. Mr. DANDURAND: I stated last week that this $3,000,000 would not go beyond the point where the rails are laid.

Hon. W. B. ROSS: Honourable gentlemen, before this Bill passes, there is just a word or two of explanation that I wish to make, largely on account of some questions that I have been asked as to the scope and extent of the Bill.

The purpose of the Bill is to enable the Government to carry on. That is all it is. It does not deal with the Estimates finally for the year; it is an Interim Supply Bill. After looking over the statute and consulting with old parliamentarians, I find that prior to 1918 the Interim Supply Bill was different in form from the one before us. It always had two schedules attached to it. One schedule gave the Government of the day the whole of any items that were voted by way of supply, and the other contained not all the items in the Estimates, but a selected number of those items, and the Government got a grant of one-sixth from time to time until finally the main Supply Bill was passed. In 1918, instead of the schedules the Estimates were used. This was done on a certain understanding that is made very clear by a discussion that took place on the 4th of May this year in the other House between Sir Henry Drayton and the Minister of Finance. It will be found on page 3235 of the House of Commons Hansard. Mr. Robb moved the resolution which is the the substance of the Bill now before us:

Mr. Robb moved:

Resolved, that a sum not exceeding $15,934,291.06 being one-twelfth of the amount of each of the several items to be voted as set forth in the Main Estimates for the fiscal year ending March 31, 1927, laid before the House of Commons at the present session of parliament, be granted to His Majesty, on account for the fiscal year ending March 31, 1927.

Sir Henry Drayton: It is understood, again that the resolution is agreed to on the terms already stipulated: nothing is consented to, no rights are waived and the present procedure may not be used for the purpose of authorizing any new expenditures.

Mr. Robb: Quite so.

The way that has worked out since 1918 is that the Government is given a seemingly large grant—to-day it is one-twelfth, and we have already given one-twelfth—with the understanding that it applies only to those things which have already been authorized and that the Government will not use any part of the grant on things that are new and not yet authorized by Parliament So when the honourable leader on the other side of the House tells us that the two-twelfths contained in the two Interim Supply Bills will entirely provide for the road that is being operated between the Pas and Stop 214, if not more, then I cannot see that the Bill does anything more than give the Government what is in the nature of ordinary annual supply for taking care of this piece of road, and the whole question of what happens beyond that, or what happens in the Bay or out in the Straits is for the future and is still to be settled by Parliament. I am making this explanation because several persons have asked me just what the scope and the meaning of the Bill are, and I do not think there can be any misunderstanding of it with this plain statement made in the other House, which of course would be binding here.

Hon. Mr. DANDURAND: In the very numerous answers that I had to give to questions that were put there may appear to be some confusion. There is none in my mind as to the first and second twelfths being hardly sufficient to go to Mile 214, but I added in reply to other questions put that the road was built, with rails laid, to Mile 332, and that the $3,000,000 would not go beyond putting the railway in perfect order as far as the rails were laid.

Hon. W. B. ROSS: That is all right. The amount might put the rails in order all the way to Mile 332, but, as the Bill stands now, all the Government can take under this Bill is money for the road that is in operation, which they are working as a going concern and for which they must have supply unless they are to close down. But if they are going to make expenditure beyond Mile 214, they will have to wait until the final Bill is passed.

Hon. Mr. DANDURAND: Of course, I do not know what kind of work is needed beyond Mile 214 for maintenance, because what applies in respect to maintenance beyond Mile 214 and what applies before may be exactly on the same footing.

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

DIVORCE BILLS

SECOND AND THIRD READINGS

Bill R3, an Act for the relief of Joseph Robert Crow.—Hon. Mr. Mulholland.

Bill S3, an Act for the relief of Stanley Bennett.—Hon. Mr. Pope.

Bill T3, an Act for the relief of Katherine Landon Foley.—Hon. Mr. Schaffner.

Bill U3, an Act for the relief of Edith Annie Say.—Hon. L. V. Webster.

Bill V3, an Act for the relief of Isabella Stewart Carmichael Wilson.—Hon. Mr. Schaffner.

Bill W3, an Act for the relief of May Maud Mary Johnson.—Hon. Mr. Schaffner.

Bill X3, an Act for the relief of Roland George Wickens.—Hon. Mr. McMeans.

PRIVATE BILLS

SECOND READINGS

Hon. Mr. WILLOUGHBY moved the second reading of Bill 4, an Act respecting the Canadian Pacific Railway Company.

He said: Perhaps it is due to the House to offer a few words of explanation as to this Bill. There are three branch lines contemplated by it. One you will find indicated in paragraph (a) of Section 1 of the Bill: it is a line in the province of Alberta running northerly for fifty or sixty miles from the Bassano branch. The next one is referred to in paragraph (b): a line from a point on the northwesterly line originating at Moose Jaw, to run away up north and thence on to Edmonton. The proposition is to build a line from a point at or near Rosetown, which is west of Saskatoon, some forty or fifty miles to a point on another branch line called the Pheasant Hills branch. The other one is an extension provided for in clause 2, which would enable the Company within two years after the passing of the Act to build a line already provided for in a Statute of 1920, from a branch line, again not very long—forty or fifty miles perhaps—from Pheasant Hills branch in a northwesterly direction. They are both west of the city of Saskatoon.

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

Hon. Mr. GORDON moved the second reading of Bill 5, an Act respecting the Interprovincial and James Bay Railway Company.

Hon. Mr. CASGRAIN: I understand that James bay is a part of Hudson bay. Would the honourable gentleman build a second railroad to Hudson bay now? We would like to know. James bay, if I understand rightly, is immediately north of Cochrane a distance of about 250 miles. Will the honourable gentleman explain it? As James bay is only a part of Hudson bay, this would be a second road to Hudson bay.

Hon. Mr. McMEANS: There will be three or four roads up there.

Hon. Mr. CASGRAIN: I am asking the honourable gentleman.

Hon. Mr. GORDON: This asks for an extension of time for the completion of a road to be built from the present terminus of the Interprovincial and James Bay railway.

Hon. Mr. CASGRAIN: Where is the terminus?

Hon. Mr. GORDON: It is altogether in the province of Quebec.

Hon. Mr. CASGRAIN: Where is the terminus now?

Hon. Mr. GORDON: I forget the name of the place, but it is near the Quinze River. This swings around east in the province of Quebec over to what is known as the Bell river.

Hon. Mr. CASGRAIN: And it is going to Moose Factory?

Hon. Mr. GORDON: No.

Hon. Mr. CASGRAIN: Where is it going?

Hon. Mr. DANDURAND: To Bell river.

Hon. Mr. GORDON: The road as it exists now, the Interprovincial and James Bay Railway, is pointing towards James bay, and I understand that the intention is to go there some time.

Hon. Mr. CASGRAIN: To Moose Factory?

Hon. Mr. GORDON: Yes. But this is a branch.

Hon. Mr. CASGRAIN: Will Moose Factory be the terminus?

Hon. Mr. GORDON: It probably will go up that way some time, but this turns around to the east in the province of Quebec, and goes over to Bell river.

Hon. Mr. CURRY: Does this start from the end of the road that is now constructed beyond Cochrane?

Hon. Mr. GORDON: No.

Hon. Mr. CASGRAIN: No, no: that is not the one. I thought it was that one, but it is not.

Hon. Mr. GORDON: This road is from the end of the present C.P.R. line. This is a subsidiary company of the C.P.R., and this is an extension from the end of it around the Bell river.

Hon. Mr. DANIEL: Perhaps the honourable gentleman would read the Bill and then we would be able to tell something about it.

Hon. Mr. GORDON: It is only an extension:

1. The Interprovincial and James Bay Railway Company, hereinafter called "the Company," may within two years after the passing of this Act commence to construct the line of railway which it was authorized to construct by section one of chapter eighty-one of the statutes of 1924, extending from the present terminus of its line of railway at or near Angliers, or Ville Marie, thence in a generally northerly and northeasterly direction to a point at or near the headwaters of the Nottaway River, in the country of Abitibi, all in the province of Quebec; and may within five years after the passing of this Act, complete the said line of railway.

Hon. Mr. CASGRAIN: Well, if it is all in the province of Quebec, they should apply to Quebec.

Hon. Mr. GORDON: They have a Dominion charter already.

Hon. Mr. CASGRAIN: But there is a road now being built by the Ontario Government north of Cochrane. If I understand rightly, the road is built about forty miles north of that point, and Mr. Ferguson, the Prime Minister of Ontario, has gone to examine it. He has gone as far, I think, as the bay. That would be a competing line. It would be a third railway to Hudson bay.

Hon. Mr. GORDON: No; this road is not there at all.

Hon. Mr. CASGRAIN: I have been asked to inquire of the honourable gentleman, have they got a land grant?

Hon. Mr. GORDON: This road?

Hon. Mr. CASGRAIN: Yes.

Hon. Mr. GORDON: I do not think so.

Hon. Mr. CASGRAIN: What is the length of the road? How many miles?

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

Bill 18, an Act to change the name of the Dominion Express Company to "Canadian Pacific Express Company"—Hon. Mr. Haydon —read the second time.

Hon. Mr. HAYDON: Honourable gentlemen, this Bill is simply one for changing the name of the Dominion Express Company to that of the Canadian Pacific Express Company, and I desire to move, with the consent of the Senate, that the Bill do now receive the third reading.

Hon. Mr. McMEANS: It is very unusual to change the name of our corporations. Somebody might have an objection to it. I have no objection, but I can conceive that the name might be confused with others. Unless there is some important reason for hurry, I do not see why the Bill should have its third reading now.

Hon. Mr. HAYDON: I have been informed that the Canadian Pacific Railway is simply asking that its express company, formerly run under the name of the Dominion Express Company, may take the railway's name, and that the railway's express company may have a name and be run in the same way as the Canadian National Express Company.

Hon. Mr. McMEANS: I was asking the honourable gentleman if there was any particular rush for this.

Hon. Mr. HAYDON: The company desires. if the Bill goes through, that it may obtain the Royal Assent to-morrow.

Hon. Mr. McMEANS: Has it passed the House of Commons?

Hon. Mr. HAYDON: Yes.

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

CANADA EVIDENCE BILL (EVIDENCE OF PERSONS CHARGED WITH OFFENCES)

SECOND READING

Hon. Mr. McMEANS moved the second reading of Bill I3, an Act to amend the Canada Evidence Act as regards the evidence of persons charged with offences.

He said: This Bill is similar to the one introduced by myself in this House last year. At that time it was considered advisable, before passing such a Bill, that the different judges, attorneys general, and all those having to do with the administration of criminal justice, should be asked to give their opinions. Those opinions have been given, printed, and distributed to each of the members. I do not know that I can add anything to what I said last year in connection with the bill. Its object is simply to bring the Canada Evidence Act into conformity with the English Act.

Under the Canadian Act a man charged with an offence may give evidence on his own behalf, but if he does not do so the fact cannot be commented on either by the judge or by the prosecuting counsel. The difficulty is that a man giving evidence on his own behalf can be cross-examined as to previous convictions; so he is in this position, that if he does not go into the box and give evidence the jury very well know that he could have gone into the box and denied the crime, and they will say to themselves that he might have denied on oath the commission of the offence. But they do not reflect that if he happens to be one of those unfortunate men who committed previous crimes he can be examined as to those previous offences. The consequence is that his refraining from giving evidence has a very serious effect on the minds of the jury, and sometimes has the effect of increasing his sentence.

Under the English Act a man accused of a crime may go into the box, but he cannot be examined as to previous convictions. The presiding judge, if he thinks it his duty to do so, may comment to the jury on the fact that the accused did not go into the box.

Under the Canadian law, if the accused does not appear as a witness there is no comment, but if he goes into the box all previous convictions may be given in evidence against him. It is the policy of the English law that if a man commits one offence he can only be tried for that, and not tried

for other offences when charged with but one offence. Our Act was passed in 1893, and the English Act was not passed till 1898.

If any honourable gentleman desires to have any further information on this matter, he should read the very exhaustive report which was made by the Chief Justice of the King's Bench of the province of Manitoba, who goes into the matter at great length, traces it historically, and gives several reasons why he thinks this Act would be of great benefit to this country. If this honourable body consents to the second reading of the Bill, it might then be referred to a Committee before whom these different opinions would be laid.

Hon. Mr. DANDURAND: That is one of the clauses of the Bill that has been mentioned, but there are others.

Hon. Mr. McMEANS: The other Bill was one that was brought down from the House of Commons, in which they struck out the word "perjury," and provided that any evidence a man gave on a trial could not be used against him in any way, and that Bill excepted perjury. I suggested at that time that it be referred to a Committee; but of course that Act is dead, and it will have to be introduced again. The consensus of opinion, however, is very strong against it. When that Bill reached this Chamber it was referred to a Committee at the same time, when the opinions were asked concerning the Bill about which I have been speaking, and the same parties were also asked their opinion on that Bill. If the opinions were favourable, I presume it would be the duty of this House to re-introduce that Bill, and send it back to the House of Commons.

It is a matter of regret that so few opinions have been given by judges and attorneys general throughout the provinces on legislation so important as this. We have some opinions here that were given by judges of remote county districts, one by the Chief Justice of the Supreme Court of Canada, and others. A large number are strongly in favour of the Bill—I will not say the large majority, because I have not gone through the matter sufficiently to say so. I would suggest that it go to the Committee, and that they report back to the House.

Hon. Mr. WILLOUGHBY: I would like to know if the honourable gentleman has looked into the discussion that took place in England in connection with their existing law, and as he proposes it should be, and if he ever discussed what we have now and what they have not got in England. This Bill is introducing what the honourable gentleman considers an improvement on the existing law, and I think it is; but it strikes me that there must have been a discussion in the English House before the completed Act was passed by that House, in which there are so many eminent lawyers, ex-judges and others accustomed to administration of law.

Hon. Mr. McMEANS: I can only say, in reply, that Chief Justice Mathers made a very exhaustive report on the matter. He traces the law evidence from the year 1695; but the law moved very slowly, and the accused were denied the right to give evidence at all. In the early Stuart period that right was conceded, but it was not till after the Revolution that witnesses for the defence were permitted to be sworn. Speaking about the English Act, he says:

> After the Canadian Criminal Evidence Act had been in force five years, the Imperial Parliament, in 1898, passed what is known as the Imperial Criminal Evidence Act.

They must have had the Canadian Act before them at that time. He proceeds:

> Like the Canadian Act, it makes every person charged with an offence, and his wife or husband, a competent witness for the defence, but in two other important respects it does not follow our Act. By section 1 (f) it enacts that "A person charged and called as a witness in pursuance of this Act shall not be asked and if asked shall not be required to answer any questions tending to show that he has committed or been convicted of or been charged with any offence other than that wherewith he is then charged, or is of bad character, etc." It then enumerates the exceptions as (1) when evidence of a previous crime would be adducable to prove the crime charged; (2) where he has sought to establish his own character or attacked the character of the prosecutor; or (3) has given evidence against any other person charged with the same offence. Under the Imperial Act an accused person may safely go into the witness box on his own behalf, no matter what his past has been, because he must not be asked about previous criminal practices, or as to his character, except in the cases mentioned.

I need not take up the time of the House with further quotations. It is a very exhaustive report, and if the Bill goes to the Committee it can be read there.

Hon. Mr. DANDURAND: I will read those opinions, if I have not already read them. When were they gathered and printed?

Hon. Mr. McMEANS: They were, received since the last Session of this House, by the Clerk of Committees.

Hon. Mr. DANDURAND: I have not taken cognizance of those opinions except that they were distributed to the members of the Committee. I confess that just now I am not very clear as to the wisdom of allowing an accused person to go into the witness

box to rebut evidence given against him, because if there is no evidence the case is not made out. It is when the case is fairly made against him that he sees his interest in rebutting it. Well, should he not appear then in his true light? It may be his testimony against that of some witness whose record is without blemish. Why should he appear in the witness box and be protected as to his past, when possibly it is one testimony against another? This is what is not exactly clear in my mind.

Hon. Mr. McMEANS: He can go into the box and deny that he committed the offence. Very often he is the only one that can throw light upon the matter; but if he goes into the box, and he has a criminal record, that is, if he has committed other crimes for which he should not be tried at this time, his evidence has very little weight with the jury Then, again, if he does not go into the box there is no jury that does not know that he could have been sworn as a witness, and could have denied the charge. He can go into the box if he likes, and he may be the only one that can throw any light on the crime; but what is the result? He is damned if he doesn't, and he is damned if he does. But the English law takes a wider view, saying: "He can only be tried for one offence here; we do not want to know anything about any others; he may have committed a dozen other crimes, but this thirteenth crime is the only one we are inquiring about." Under the Canadian law, if he goes into the box the prosecution can prove he committed twelve other crimes, though he may be quite innocent of the thirteenth, and that has an effect against him.

I think my honourable friend recollects that when I introduced this Bill I told of a case at Red Deer where a Belgian or Russian was walking through a country district, and saw a light in a house. He was going to a lumber camp which he was told was 5 miles off, but it was 25 miles distant. He could not speak English, and he walked into a house which was supposed to be a lodging or some place for rest. He did not see anybody there, and he walked upstairs and took off his boots. The wife of the owner of the house had been out at some entertainment, and she came back, and the man got frightened and rushed downstairs. She screamed, and her husband jumped up, and they had a tussle, in which the husband was killed, for this man had a knife. He left the house, and went on his way, but he was arrested next morning, and brought before the court. His lawyer would not allow him to go into the witness box, and there was no evidence at all except that those two men met; but who attacked the other first was unknown. The foreigner's lawyer would not allow him to give evidence in connection with the case, simply because in the old country there were some minor offences against him. The consequence was that he was tried and found guilty of murder. He appealed to the Court of Appeal, and his counsel then wanted the court to allow this man to give the evidence that he should have given at the trial; but the Court of Appeal held that the English authorities were not to receive any evidence from the prisoner, who was in court at the time, and did not give evidence; and if his counsel did not think fit to call him he should not be called at the Court of Appeal. But one extraordinary thing took place; the Court of Appeal said: "We cannot admit this evidence, but we can hear what he would have said if he had been called," and they allowed his counsel to state what the man would have said if he had been sworn.

The case aroused a great deal of indignation because, with all due deference to the court, I believe they made a mistake. Instead of ordering a new trial, they cancelled the verdict of murder against him, and gave him five years in the penitentiary. The whole country was up in arms, and the people blamed very much this Criminal Appeal Act, which originated in this House. The court should have ordered a new trial, or, if they thought that was unnecessary, they certainly should not have reduced the verdict of murder to a sentence of five years in the penitentiary.

Hon. Mr. WILLOUGHBY: It brings your Act into disrepute.

Hon. Mr. McMEANS: If the honourable gentleman will allow it to go to Committee, we can thrash it out there. Ih reads over these opinions and gives them his consideration he will realize that this is a very wise Act. I have not introduced it off my own bat, but have done so at the behest of some very eminent judges.

Hon. Mr. BEIQUE: Honourable gentlemen, I have an open mind on this Bill, but I desire to call the attention of the honourable member to this phase of it. Suppose an ordinary witness were examined before a jury, he could be asked whether he had not been found guilty of perjury, and his answer would affect his testimony very much. If the accused was asked the question, would not his evidence be affected by it?

Hon. Mr. McMEANS: The only way I can answer that is by pointing out that prior to 1893, when the Canada Evidence Act came into force, the accused, or the husband or wife of the accused, could not give evidence at all. The honourable gentleman will recollect that very often counsel for the prisoner would say to the jury: "We regret that this man cannot go into the box and tell you what happened, but the law will not allow it. I can tell you gentlemen, if he were allowed to go into that box he would say so and so." When you give him the privilege of going into the box you destroy it, because if he does not go into the box you can comment upon his action. The jury knows that he can go into the box, and if he does not do so such action weighs very materially against him. So far as I can judge, the English law is more humane and more just, and tends to bring out all the evidence. I would like my honourable friend to read the opinion that I have spoken of. It is the opinion of the only judge who has gone into the matter at any considerable length.

Hon. Mr. DANDURAND: The second reading could be taken on the understanding that the Senate is not binding itself to the principle of the Bill, and the Bill could then go to the same Committee that sat last year.

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

Hon. Mr. McMEANS: I beg to move that the Bill be referred to a special committee consisting of Messrs. Barnard, Beaubien, Béique, Belcourt, Dandurand, Girroir, Haydon, Murphy, Pardee, Robinson, Ross (Middleton), Tanner, Willoughby, and the mover.

The motion was agreed to.

POSSESSION OF WEAPONS BILL

SECOND READING

Hon. Mr. BELCOURT moved the second reading of Bill Q3, an Act to amend certain provisions of the Criminal Code respecting the possession of weapons.

Hon. Mr. DANDURAND: Would the honourable gentleman explain?

Hon. Mr. BELCOURT: Honourable gentlemen, the title of the Bill gives a pretty fair idea of its purpose. It is the same Bill which I had the honour to introduce in this House in the year 1921, and provides for the same remedies. At that time the Bill was read a first time, but on the second reading, after a discussion took place, the debate was adjourned and the Bill was not reached again.

The Bill, I think, was amply justified and, I should say, was demanded by public opinion at the time. Since then the demand for legislation of this kind has very greatly increased. It is a matter of public notoriety that the use of revolver, for instance, which is one of the weapons that I am trying to have removed from society, has very much increased. Whether this is a result of the war and the familiarity bred at that time by the promiscuous use and display of arms I am not prepared to say, although I think the war is a factor which has contributed very largely to extend the use of the revolver.

We know that the provision which has existed in the Criminal Code for the purpose of preventing the possession and carrying of revolvers and other weapons has never really been observed: anyone at any time can go and purchase a revolver; even boys in their 'teens can go and buy a revolver or an air gun or something of that sort.

Statistics to-day show that a very large percentage of the crimes committed are committed successfully simply because it is so easy to procure a revolver or some other weapon which can be concealed upon the person, and that there is a demand for some drastic measure in the United States, in England, and in France, can be shown by newspaper extracts which I have collected since the Bill was submitted the first time. When the Bill was first before the House I had the privilege of reading a number of newspaper extracts which I think were very convincing, and I now have a number of others which have appeared since, and which contain an almost universal demand not only for a stricter measure to guard the public against the danger of firearms, but for a law to prohibit the manufacture, importation and sale of revolvers. I could cite a large number of newspapers in which that opinion is expressed clearly and emphatically.

Hon. Mr. GORDON: Does the honourable gentleman propose to prevent importation?

Hon. Mr. BELCOURT: Yes, that is the main object of this Bill. It is true that I have taken advantage of the Bill to deal with the provisions with regard to weapons now in the Code, and I may say that I have suppressed several articles of the Code for the purpose of removing what has been the source of embarassment and confusion to the courts in carrying out the present provisions of the Code in this respect. But that is not the main purpose of the Bill. The main purpose of the Bill is to prohibit the importation, manufacture and sale of the weapons described in the Bill.

Hon. Mr. BUREAU: What about their use?

Hon. Mr. BELCOURT: That is provided for. The use of the revolver is limited to those people who are authorized to use it for police or militia purposes.

Hon. Mr. GORDON: How would they get them if the importation and manufacture were prohibited?

Hon. Mr. BELCOURT: The importation would be placed under the control of the authorities of the country. It may be that the only way to accomplish such a purpose would be for the Dominion Government to provide that the importation of firearms should be under the control of an officer specially appointed for that purpose and responsible to the government.

Hon. Mr. GORDON: Then you would permit some revolvers to be imported for that purpose, but you would not permit any to be manufactured.

Hon. Mr. BELCOURT: I would make no distinction between manufacture and importation. I want to prohibit the manufacture, importation and sale, except under strict government control. This I do not think should be government function, but it must be performed by some officer directly responsible to the government. Under the Bill nobody else would be allowed to import, buy, or manufacture a revolver. A great many of the crimes to-day are the result of the promiscuous use of the revolver, and that is the only way you are going to prevent this class of crime. I do not know whether honourable gentlemen care at this late hour of the night to hear these newspaper extracts, but perhaps I may be permitted to read a few of them. Here is one. Judge Kapper of New York says:

> Hardly a day passes, that we do not read of hold-ups and robberies by armed men. Pistols are the cause. The ease with which the criminally inclined obtain revolvers is the evil to which must be ascribed the prevalence of crimes of violence.
>
> Just so long as the gunman and highwayman can possess himself of a pistol just so long must we expect hold-ups, robberies and murders. The manufacture and sale of firearms which can be concealed upon the person should be stopped.
>
> The Federal Government can materially aid by an appropriate interstate commerce embargo. Pistols and their cartridges are no more a fit commodity for general and indiscriminate purchase than is poison. If pistols are useful and needful in police and army service, let the Government alone manufacture and distribute them under suitable registry and control. I should say that, with this idea carried through, violent crime would shortly be materially lessened, and within a reasonable period of time would substantially disappear.

The next article is taken from one of our local newspapers—the Evening Journal. It is entitled "Why not?" and reads as follows:

> Katherine Tynan, the Irish poetess, should know Ireland well, and she assures us that ninety per cent of her countrymen are hungering and thirsting for peace, but that the remaining ten per cent are "young, without responsibilities, and they have the revolvers."
>
> "They have the revolvers." There you have most of the story of the chaos in Ireland—and most of the story of all crime in civilization. "They have the revolvers." Civilization could soon stop nine-tenths of the murders that occur in it by stopping the manufacture of revolvers and revolver ammunition. Prohibit manufacture; prohibit sale. For a time, while the stock of revolvers and automatics or the ammunition for them held out, the effect would be slow—but in time, it would be final.
>
> No good reason against this prohibition exists. Revolvers are useless except for crime or war, and not much use for the latter. While the existing stock held out, criminals would have them, but so would other citizens and the police, and so far as that is concerned, things would be no worse than now.
>
> Civilization could stop the revolver; but no country needs wait in this matter for any other. Any country could advantageously prohibit the revolver within its limits. Why not Canada?
>
> Will not some Member of Parliament or Senator move to this effect?

The following is part of an article which appeared in the Ottawa Journal. I will read only two or three lines of it:

> The common sense of the revolver question is to stop its manufacture and sale. Except for police purposes, and this could be provided for in any measure to prohibit revolvers, the revolver is of no use for anything on earth except war, and not likely now to be of much use in that.

Another one is entitled "The Revolver." It says:

> Six factories in one town in Spain are devoted to the manufacture of cheap revolvers, and 500,000 of these murderous weapons are exported to the United States each year on the orders of conscienceless dealers who dispose of them to any person who may seek to buy. It has been proven that many of the murders committed in Chicago are due to the use of the Spanish-made revolvers. The tariff commission will now recommend to the President that the importation of cheap revolvers be stopped.
>
> Penny wise, pound foolish. If there is any good argument for stopping the importation of cheap revolvers, the same argument is good for stopping the importation of all revolvers. If revolvers are an evil thing, are they any less evil when they are of the most efficient and deadly kind, as expensive revolvers are?
>
> And if good argument exists against importation of revolvers because they are evil, does not the same argument apply against home manufacture?
>
> Why permit revolvers, at all? Even our police are not supposed to shoot first.

Judge Ackerman, of New York:

> I do not know of one single case where a revolver, legally carried by a permit, stopped a hold-up or a burglary. The hold-up man is always ready and quick on the draw, while the citizen is taken by surprise and is never ready, so any atempt on his part to draw is more likely to result in his death than in preventing the hold-up.

The Chicago Tribune:

> We believe that this evil should be attacked at its source by a law prohibiting the manufacture or sale of revolvers for private use. The revolver is made

for one purpose only—to shoot men. It is not a hunting weapon, and only soldiers and officers of the law should be permitted to possess or carry them.

The St. Louis Star:

The chief claim for the revolver is that it can be carried secretly on the person. But who carries it there? The criminal. By existing law, any private citizen who so carries it is a criminal, and most people who do so are not primarily interested in self-protection.

The Grand Rapids Press:

The dozens of statutes against the carrying of deadly weapons have never been of much use, and never will be until sale and disposal except for official purposes is done away with, and licensed owners are registered.

An article which appeared just a few days ago in the Montreal Herald:

The Deadly Revolver

Within a few days a wife has been murdered, an ex-policeman has been murdered, and a mother-in-law has been shot at and escaped death by a miracle.

In all these crimes in Montreal the deadly revolver has been the weapon used.

Were it not for the free and unrestrained traffic in revolvers not one of these crimes would have occurred.

Revolvers are freely advertised—you can even get them delivered by mail. They can be bought in innumerable stores in Montreal—in many secondhand stores for a song.

This weapon is a curse of civilization, and is an insistent temptation to every owner.

Never will crime be kept in hand until the manufacture or importation of revolvers is absolutely prohibited except under the strictest government supervision.

I have quite a few more, but I will not bother the House by reading them now. The Bill, I repeat, has for its object the very purpose so strongly and so well enunciated in these different quotations which I have read to the House. I need only appeal to the personal experience of everyone who is now listening to me. Just go back for a year or two and try to remember some of the crimes the details of which have filled our papers and occupied the attention of our people. Remember the crimes in Montreal for which four or five men paid the death penalty—all the result of the revolver. If you try to ascertain mathematically the consequences of the revolver by thinking of the number of cases that you know of and can recollect in which the revolver played the whole part, you will at once see that the revolver is the cause of crime. It is the cause of the intense increase of crime in the United States especially. Thank God we are not quite so bad as they are in that respect, but we are close imitators and the tendency seems to be to imitate the United States more closely, not only in the case of revolvers, but in other respects too. I am sure that if honourable members listening to me now will think of the number of crimes that have been committed in this country by means of the revolver, because of the facility with which anyone can buy this weapon and use it, you will be impressed with the necessity for some legislation such as I am proposing.

Let me repeat, what I seek to obtain is a law whereby it shall be forbidden to anybody to bring a revolver into this country, or to manufacture or sell a revolver in this country, except under immediate government control and surveillance. There is in the Act a provision by which revolvers may be carried and used by those who are entrusted with the keeping of the peace—by policemen and by the Militia; but I want the law to be such that every year the Government may be asked and will be able to furnish a report of every revolver that has been disposed of in this country, and to indicate to whom it has been permitted. Unless that is done the intensity of crime will continue and increase from year to year.

I could say a good deal more about this Bill, but the hour is getting late. The Bill will have to go to a Committee where it will be discussed, and it will of course come back to us finally. I earnestly commend it to the House. The measure is one which is urgently needed. I advocate it because I think public opinion is not only prepared for it, but demands it, and peace and safety require it. If the motion for second reading is carried, I intend to ask that this Bill be referred to the same Committee as that to which my honourable friend's (Hon. Mr. McMeans') Bill with regard to evidence has just been referred. The members of that Committee are all lawyers. I do not know that that is altogether so desirable as my honourable friend thought. I would like to see a few busines men on it.

Hon. Mr. McMEANS: They are two different Bills, you know.

Hon. Mr. BELCOURT: Yes. However, I am quite content, if the second reading is carried, to leave it to the Committee which was appointed a little while ago.

Hon. G. G. FOSTER: I would like to ask my honourable friend, are there any revolvers manufactured in Canada now?

Hon. Mr. BELCOURT: I am not sure. I really do not know. I fancy the greater number are imported.

Hon. Mr. FOSTER: Since the Ross Rifle factory was closed, I understand there are no revolvers manufactured in Canada, but I would like to know for sure.

Hon. Mr. BUREAU: By this Bill, I understand, the Minister of Justice is given control of importation. That is already controlled by the Customs Act. Section 127 of the Customs Act provides that no one shall import into Canada from any country whatever (before 1921 you could import from the British Empire) any firearms except by permission of or with a permit from the Minister of Customs. Suppose that after we passed this legislation a man were to import on a permit from the Minister of Customs: he would still be liable to a fine because he had not got the permission of the Minister of Justice. There would be a clash of two authorities.

Hon. Mr. BELCOURT: I thank my honourable friend for calling my attention to that. I now recall that there is such a provision as my honourable friend says. Therefore, in order that it may be logical and consequential, I shall only have to provide in the new Bill—and I shall move it when the time comes—that that provision of the Customs Act be repealed.

Hon. Mr. ROBERTSON: Would my honourable friend indicate to the House what improvement there would be in having the Minister of Justice administer this Act instead of the Minister of Customs, who now has control?

Hon. Mr. BELCOURT: I do not wish to enter into comparisons, which are sometimes odious; and I have not much preference as between one and the other. I want the Government to have absolute control. Whether it can be exercised better through the Minister of Customs than through the Minister of Justice, or vice versa, is quite immaterial to me.

Hon. Mr. DANDURAND: The Minister of Customs can control only the border, but it is the use of firearms within the country which will have to be controlled, and that can be done better by the Minister of Justice, who covers the whole ground.

Hon. Mr. BELCOURT: Of course. And my honourable friend (Hon. Mr. Bureau) speaks of this Bill as if it dealt only with the importation.

Hon. Mr. BUREAU: Yes.

Hon. Mr. BELCOURT: It does not deal with that alone; it deals with the manufacture and with the sale, over which the Minister of Customs has no jurisdiction.

Hon. Mr. DANDURAND: And the possession.

Hon. Mr. BUREAU: I understand perfectly, but it was in order that any conflict might be avoided that I called my honourable friend's attention to the matter. The case I was suggesting is this. Suppose I go to the Minister of Customs and get a permit to import a revolver. I am still liable under the new Bill to a fine because I have not got the sanction of the Minister of Justice.

I would reply to my honourable friend from Welland (Hon. Mr. Robertson), who has just asked a question, that I think it is better that the Minister of Justice should have jurisdiction. He is going to control the importation, manufacture and sale. There is no sanction in the present law. The only thing you can do is to tell the man who imports, "Your goods will remain in the Customs House." He is not punished. They go back. The new Bill, I think, is better. The Minister of Justice should have control of the whole thing.

Hon. Mr. ROBERTSON: My honourable friend from Alma (Hon. G. G. Foster) has just indicated that there are no revolvers manufactured in Canada. The Minister of Customs now apparently has the control of importations. If there are none manufactured and none imported, it seems difficult to understand how many could be sold. I am just wondering whether or not this additional legislation is necessary.

Hon. Mr. BELCOURT: It is quite evident that there are many revolvers in use in Canada. Everybody knows that. It is notorious.

Hon. Mr. ROBERTSON: They are already sold.

Hon. Mr. BELCOURT: No. The importation is not prohibited, nor the manufacture, nor the sale. Anybody can go and buy a revolver or any other kind of firearm.

Hon. Mr. GORDON: It is necessary to have a license, is it not?

Hon. Mr. BELCOURT: Yes, I know, but you can get a license for the asking. A permit, the form of which I have put in the Act, can be granted under subsection 2 of section 118:

> Upon sufficient cause being shown, any officer of the Royal Canadian Mounted Police or of a provincial police or detective force, or any stipendiary or district magistrate or police magistrate, or acting magistrate, or sheriff, or chief constable of any city, incorporated town, district or municipality, or any person authorized under the law of any province to issue licenses or permits to carry firearms or to hunt or shoot, or any officer or class of officers or persons thereto authorized by the Governor in Council may grant any applicant therefor as to whose discretion and good character he is satisfied a permit in form 76, for such period. . . . .

I should have said that this Bill has received the consideration of several gentlemen experienced in drafting Bills, and it has the warm endorsation of our own Law Clerk. I intend to ask that when the Bill is before that Special Committee the present Commissioner of the Mounted Police, Colonel Starnes, the former Commissioner Sir Percy Sherwood, and other gentlemen who have had a life-long experience in these matters, may be called to give the Committee the benefit of their experience and advice; and, no doubt, other gentlemen of equal qualifications will be available. As I say, I think all the present provisions of the law with regard to firearms have been very carefully examined and if the purpose of the Bill meets with the approval of the Committee, I think I might say without bragging too much, you will find that the measure contains all the provisions and precautions necessary in order to carry out the purposes in view.

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

Hon. Mr. BELCOURT moved:

That this Bill be referred to a Committee consisting of Hon. Messrs. Barnard, Beaubien, Beique, Bureau, Dandurand, Girroir, Haydon, Murphy, McMeans, Pardee, Robinson, Ross (Middleton), Tanner, Willoughby and the mover.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Bill Y3, an Act respecting Dominion Electric Protection Company.—Hon. G. G. Foster.

DIVORCE BILLS

SECOND AND THIRD READINGS

Bill Z3, an Act for the relief of Marjorie Durham Morgan.—Hon. Mr. Smith.

Bill A4, an Act for the relief of Amber May Wolfenden.—Hon. G. V. White.

Bill B4, an Act for the relief of Edna Beatrice Burley.—Hon. G. V. White.

Bill C4, an Act for the relief of Bessie Hyde Lanyon Calhoun.—Hon. G. V. White.

Bill D4, an Act for the relief of Bleecker Foy Maidens.—Hon. G. V. White.

Bill E4, an Act for the relief of George Almon Wickett.—Hon. G. V. White.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Governor-General's Secretary acquainting him that the Right Hon. F. A. Anglin, acting as Deputy of the Governor-General, would proceed to the Senate Chamber on Wednesday, the 12th inst, at 5 o'clock p.m., for the purpose of giving the Royal Assent to certain Bills.

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

THE SENATE

Wednesday, May 12, 1926.

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

Prayers and routine proceedings.

ORGANIZATION OF SENATE STAFF

REPORT OF COMMITTEE—CONSIDERATION POSTPONED

Hon. Mr. DANIEL presented the fourth report of the Standing Committee on Internal Economy and Contingent Accounts.

He said: Honourable gentlemen, in view of the fact that we are going to adjourn now for a fortnight and that the Clerk of the Senate will necessarily have to consult the Civil Service Commission with regard to it, I would move, if I have the unanimous consent of the Chamber, that the report be now concurred in.

Hon. Mr. DANDURAND: There is one feature of the report with which I am not absolutely in accord. I may need some further explanation. For that reason I would ask that it stand over till after the adjournment.

Hon. Mr. DANIEL: Very well. I move that the report be taken into consideration on the 25th of May next.

Hon. Mr. DANDURAND: I may as well state now what is my objection. For a number of years it has been the consensus of opinion in the Senate, inasmuch as the House of Commons had only two officers at the Table for the much heavier work it has to carry on, that when the occasion came we ought to reduce our representation at the table to that of the House of Commons. That has actually been done. I cannot understand why, in the reorganization which is before us, the position of Second Assistant Clerk at the Table is not dropped, for I have been under the impression that we would not appoint a third officer at the Table. It is somewhat dangerous to maintain a vacancy, because temptations may arise. That is the reason why I ask that the report be not taken now.

Hon. Mr. DANIEL: It would be hardly worth while to give any explanations in the face of the fact that the honourable Minister objects to the report being considered now; so I will not take up time by making any explanations.

The motion for consideration of the report on the 25th of May next was agreed to.

SECOND CLERK ASSISTANT

REPORT OF COMMITTEE—CONSIDERATION POSTPONED

Hon. Mr. DANIEL presented the fifth report of the Standing Committee on Internal Economy and Contingent Accounts, and moved that this report be taken into consideration on the 25th of May next.

Hon. Mr. DANDURAND: I confess that I was unaware of the report that was to follow the first one. So my remarks were absolutely apart from, and above, the question of persons, since I took it for granted that we were not filling that third position.

The motion was agreed to.

PRIVATE BILLS

FIRST READINGS

Bill 19, an Act to incorporate the Pioneer Insurance Company.—Hon. Mr. McMeans.

Bill 20, an Act respecting the Pacific Coast Fire Insurance Company.—Hon. Mr. Crowe.

DIVORCE BILLS

FIRST READINGS

Bill I5, an Act for the relief of Annie Rebecca Herbert.—Hon. Mr. Willoughby.

Bill J5, an Act for the relief of David Joseph Potter.—Hon. Mr. Willoughby.

Bill K5, an Act for the relief of Walter Harold Bingley.—Hon. Mr. Willoughby.

Bill L5, an Act for the relief of Ethel Harriet Little.—Hon. Mr. Robertson.

ROYAL COMMISSIONS, 1921 TO 1926

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. In respect to what matters were Royal Commissions appointed by the Government of Canada during the period of 1921 until 1926 inclusive?

2. What was the total cost to the country of each Royal Commission?

Hon. Mr. DANDURAND: As the answer is a somewhat lengthy one, I will not read it, but will hand it to the reporter, and my honorable friend can read it in Hansard:

Department of Finance:

1. (a) Pulpwood; (b) Home Bank of Canada.

2. (a) $75,672.51; (b) $20,392.93.

Department of Indian Affairs:

1. (a) To investigate and inquire generally into the affairs of the Six Nations Indians, including matters relating to education, health, morality, election of chiefs, powers assumed by council, administration of justice, soldiers' settlement and any other matters affecting the management, life and progress of the said Indians as may be required by the Superintendent General of Indian Affairs.

(b) To inquire into the validity of the claim of the Chippewa and Mississauga Indians to a certain interest in lands in the Province of Ontario to which the Indian title had not been extinguished by surrender or otherwise, and, in the event of the Commission's determining in favour of the validity of the claim, to negotiate a treaty with the said Indians for the surrender of the said lands upon payment of such compensation as may be fixed by said treaty.

2. (a) $5,510.34; (b) $15,060.50.

Department of Justice:

1. Commission to revise the Dominion Statues.

2. To 31st March, 1926. $68,029.44.

Department of Marine and Fisheries:

1. In respect to British Columbia Fisheries.

2. $10,700.76.

Department of National Defence:

1. Two Royal Commissions were appointed during the period in question.

(a) A Commission appointed on 30th June, 1921, to enquire into irregularities and frauds in connection with the redemption at par of exchange of sterling funds by returned members of British and Canadian Forces.

(b) A Commission appointed on 26th March, 1924, to enquire into any and all irregularities and frauds of all kinds in connection with contracts for the supply of coal to the Department of Militia and Defence and the Department of National Defence at Winnipeg, Man., from the year 1918 to date of the issue of the Commission, and in connection with the supply of coal under such contracts.

2. (a) $26,203.10; (b) $20,738.16.

Privy Council:

1. 16 Oct. 1922—Charges of political partizanship against Government employees in Cape Breton.

16 Oct. 1922—Charges of political partizanship against Government employees in the Province of Quebec.

27 Oct. 1922—Charges of political partizanship against Government employees in Prince Edward Island.

11 Nov. 1922—Charges of political partizanship against Government employees in the Province of Ontario.

26 Jan. 1923—Charges of political partizanship against Government employees in the Province of Ontario.

26 Feb. 1923—Charges of political partizanship against Government employees in the electoral district of Wright.

26 June 1923—Charges of political partizanship against Government employees in the Province of New Brunswick.

12 Sept. 1923—Charges of political partizanship against Government employees in Prince Edward Island.

22 Sept. 1923.—Cause of industrial unrest among steel workers at Sydney.

27 Feb. 1924—Home Bank Failure.

24 Mar. 1926—Charges of political partizanship against Government employees in Ontario.

27 Mar. 1926—Alleged existence of corrupt or illegal practices in the election in the electoral district of Athabasca on 29 Oct. 1925.

7 Apr. 1926—Maritime Provinces rights.

2. No information.

Department of Railways and Canals:

1. F. H. Honeywell,—May 18, 1923. G.T.R. Gratuities.

2. $2,450.90.

Department of the Secretary of State:

1. 1923 to date: Commission of Inquiry to investigate claims made by persons residing in Canada for reparation for losses sustained by reason of acts of illegal warfare committed by the enemy during the late war. Commissioners: Hon. William Pugsley, K.C.; appointed by Commission dated 13th March, 1923, as amended by Commission dated 21st May, 1923. James Friel, K.C., appointed 19th June, 1925.

2. $61,607.92. February 28th, 1926.

Department of Soldiers' Civil Re-Establishment:

1. Pursuant to a recommendation of the Special Committee of the House of Commons selected during the Session of 1922, to consider questions relating to pensions, insurance and the re-establishment of returned soldiers, a Royal Commission was appointed by P.C. 1525, of the 22nd July, 1922, to conduct inquiries and to report upon matters relating to the administration of pensions and the re-establishment of former soldiers.

2. The total cost of the Commission was $123,674.59.

Soldier Settlement Board:

1. Royal Commission appointed July, 1922, on Pensions and Re-establishment.

2. No information; no payments made by this Board.

Department of Trade and Commerce:

1. 1921, Grain; 1922, Lake Grain Freight Rates; 1923, Grain.

2. 1921, Grain Inquiry Commission cost $46,373.12; 1922, Lake Grain Freight Rates Commission cost $41,012.00; 1923, Grain Inquiry Commission cost $170,895.67.

THE LEAGUE OF NATIONS

GERMAN GOVERNMENT'S REQUEST FOR ADMISSION

Hon. R. DANDURAND rose in accordance with the following notice:

That when he lays on the Table to-morrow the report of the Canadian Delegates to the 6th Assembly of the League of Nations he will draw the attention of the Senate to the convening of the Special Assembly of the League on the 7th of March last to consider the German Government's request for admission to the League of Nations.

He said: Honourable gentlemen, I hesitated some time before rising to make a statement on the doings of the League of Nations during the month of March last, because I had the impression that the newspapers had faithfully conveyed daily news of the events that passed; but it has been represented to me that the newspaper correspondents have so beclouded the issues by most unfair comments that it would be advisable for me to tell the members of this Chamber what really took place in Geneva.

It will be remembered that in 1924 the Assembly devoted its sessions to amendments to the Covenant which would close the gaps through which war might filter. The result of that work was embodied in a document called the Protocol, which was based on the general principle of compulsory arbitration, the effect of which would bring security and consequent disarmament. It was universal in its aim, and obligated all the members of the League. We remember the fate it met. The elections had taken place in Great Britain and the Government of Ramsay MacDonald had gone down, and his policy as well. The Baldwin Government through Sir Austen Chamberlain, the Minister for Foreign Affairs, declared that Great Britain was not ready to bind itself to such unlimited and unknown obligations, but that it was ready to proceed step by step and to examine into the settlement of difficultes in a regional manner; that it had received a communication from Berlin offering to discuss a treaty with Great Britain and France for the settlement of the Rhine problem, and that, perhaps by a longer way, through

gradually working from problem to problem, the principle of arbitration would expand and cover Europe.

This was the statement made to the Council on the 14th of March, 1925, and later on in the House of Commons, by Sir Austen Chamberlain, speaking for Great Britain, a statement which he repeated at the Assembly of September, 1925. Some of the members of the Assembly regretted that the work of the preceding Assembly had been all in vain, but expressed the hope that some advance would be made in the same direction, although perhaps more slowly, through the working out of regional agreements. The Assembly practically gave its benediction to the work which was to be undertaken, and the powers interested in the Rhine and Central Europe gathered in Locarno, and there important agreements were signed. I really believed that was an accomplishment that could not be sufficiently loudly hailed by the world at large. It was to my mind a red letter day for the peace of Europe. Those agreements contained all the principles of the Covenant, and practically the underlying principles of the Protocol.

Arbitration was decreed between the signatories to these agreements; they bound themselves to arbitrate all questions—juridical questions going to the Hague Tribunal, and the others either to an arbitration board organized by the nations interested or to the Council of the League. Further, the League was given the superintendence of those treaties which were to be registered in the Secretariat. They were so drafted as to come under the aegis of the League.

Now, the most important feature of those agreements, a feature which did not exist in the Protocol—because the Protocol only tended to bind the members of the League—was the presence of Germany. Germany, at Locarno, agreed to the terms of those arrangements. When I say that those treaties were made under the aegis of the League, I could go further and say that Great Britain was practically made the umpire in the settlement of any difficulty which might arise on the Rhine between Belgium and France on the one side and Germany on the other: There was the presence of Great Britain to declare that she would see to the maintenance and carrying out of those agreements in the letter and in the spirit. Matters were to be so much under the guardianship of the League that the treaty of guarantee declared that it was to become operative only on the day when Germany formed part of the League. Germany subscribed to the obligation of entering the League, but had previously, and did at that moment, set a condition—that it would be granted a permanent seat on the Council of the League.

We all know that the League is composed of three principal organs—I will not speak of the Secretariat, which plays a very important role, but rather of the Assembly and of the Council. The Assembly meets every year in September, and is composed of the three official delegates of each of the members of the League, who are 55 in number.

If one reads the Covenant he will have difficulty in finding a definition of the respective powers of the Assembly and of the Council. This is fairly vague, and I believe that it was made thus on purpose. The two bodies seem to have concurrent jurisdiction, but I draw the attention of the Senate to the fact that the Assembly meets only once a year, that is, in one month out of the twelve, while the Council is obliged to meet four times a year, and is the live organ during eleven months of the twelve. Besides that, it is a more managable institution. It is composed of ten members, most of whom are at hand. It is true that Japan has a representative, and that South America has two; but Japan and South America are generally represented by permanent delegates at the League, or by ambassadors at the capitals of Europe; so that within 24 hours the Council can be called if a danger signal is sent out from the Secretariat, whose head is Sir Eric Drummond.

The Covenant was mostly drafted by the Great Powers, who had naturally played the principal role in the war. They realized their heavy responsibility to lead in the preparation of the terms of peace, and also in the preparation of the Covenant; and when it came to organizing the Council with its exceptional functions the Great Powers felt that they should be permanently represented therein.

In observing the working of the Council as well as of the Assembly, I have been strongly impressed by the necessity of the presence of the Great Powers in the Council. If all the Councillors were elected annually by the Assembly there would soon arise a call for the rotation principle. As a matter of fact, twice if not three times that principle has been affirmed by the Assembly, so far as the six elected members are concerned. The same principle would have availed if the election of the whole Council had been thrown into the Assembly, and we would have run the risk of seeing the Great Powers eliminated through that rotation principle.

One might ask himself what would be the authority of the League, as represented by the Council, if the Great Powers were not there

in Council when some clash or some difference appeared between two Powers. It might be a secondary matter, or a more serious one if between two of the principal Powers; but what would happen if those Great Powers were not there in the Council, and the lead were taken by secondary Powers? One can visualize what would be the importance and moral authority of decisions made in the absence of the Great Powers. We have all felt at times the absence of one of those Great Powers, the United States, and quite often during the last six years we have said to ourselves: "What a pity that the United States is not there, because of its ability to furnish disinterested umpireship!" For these reasons I believe that those who met in Paris for the drafting of the Covenant did very good work. They gave permanent seats to the five Great Powers there represented—Great Britain, the United States, France, Japan and Italy—and they provided for annual representation of the Assembly: they allowed for annual seats.

When the Assembly met it was found that, instead of five permanent seats, only four were filled: the United States was not there; and in 1922, for reasons that are quite apparent, the Assembly, on the recommendation of Council, which was imperative, unanimously increased the number from four elected members to six; so that up to this day we have the present Council functioning with four permanent representatives of the Great Powers and six elected annually. It will be noticed that the numbers we have to-day, five permanent seats—because that of the United States remains there for that nation—and six annual seats, are not figures that cannot be altered. They might be altered to-morrow by adding one for Germany, and the day after to-morrow the number might be increased to provide for Russia coming in. At the same time an addition may be made of one or two seats for concurrent increase in the elected members of the Assembly. So that the number of itself is not one that we must consider as sacred; there is no absolute major principle in the fixing of those numbers.

One must not forget that the Council, which has been given great powers, can only exercise most of them by unanimity. It is not always satisfactory to be governed by a minority of one-tenth; but it was so decided, for the reason that the world, or humanity, represented by races and nations, was not ready to create a super-state, a super-parliament, which the Council would have been if the majority therein had ruled. Some states would have been obliged to accept the rule of the majority. In order to keep away from the danger of creating that super-state, the principle of unanimity was decreed. There are a good many reasons why it should be so, outside of the all-important reason against creating a super-state. Among other reasons, there would be a danger of groups forming, of cabals being organized, or lobbying being pursued in order to secure a majority in the Council. There must be unanimity, which means that the solution of every question must be so satisfactory, so fair, that it will secure the assent of all the members.

The rule of unanimity still avails in the altering of the composition of the Council, and Germany needed that unanimity in order to obtain a permanent seat. I stated that Germany, after Locarno and before, had put as a condition precedent to its entering the Assembly that it should be assured in advance, by the ten Governments represented in the Council, that it would have a permanent seat in the Council. Before its request was accepted by the Assembly it wanted to be sure that that condition precedent would be granted.

Now, as far back as the 24th of September, 1924, Germany wrote to the ten Governments represented on the Council asking, among other things, first, its position under Article XVI, and some other questions, and then proceeded to say:

> The German Government has no intention of claiming special privileges for Germany. It recognizes that the full development of the League can only proceed along lines of absolute equality between the States of which it is composed. However, so long as the Covenant of the League of Nations assigns a privileged position to certain States, inasmuch as it grants them the right of permanent representation on the Council, which is primarily the executive organ of the League, the German Government must claim the same right for Germany. In applying for admission to the League, Germany must therefore possess the certainty that immediately upon her admission she will obtain a permanent seat on the Council. The German Government assumes at the same time that upon Germany's admission to the League she would ipso facto take her place on a footing of equality in the other organizations of the League, and especially in the Secretariat. A permanent seat on the Council can only be granted by a unanimous decision of the Powers represented on that body. The German Government therefore requests the.....Government to be so good as to inform it whether it would be prepared at the proper moment to give instructions in that sense to its representative on the Council.

On the 12th of December, 1924, the German Government wrote to the Council itself, stating:

> The German Government is of opinion that political developments during the past year have rendered it possible for Germany to join the League of Nations. Accordingly, the German Government resolved last September to consider the question of Germany's adhesion to the League in the near future. In pursuance of this intention, the Government first entered into

communication with the governments represented on the Council of the League of Nations and submitted to them a memorandum having for its object the elucidation of certain problems of importance connected with Germany's co-operation in the League. As will be seen from the memorandum, a copy of which is appended hereto, the object was to ascertain the attitude of the said governments with regard to Germany becoming a member of the Council of the League of Nations as well as with regard to the participation of Germany in the sanctions provided for in Article 16 of the Covenant. The memorandum was also intended to inform the said Governments of Germany's views concerning certain other points connected with the question of Germany's adhesion to the League.

The German Government has now received the answers to the Memorandum. It notes with pleasure that its decision has been accorded full approval in the replies furnished by the Powers represented on the Council of the League. The German Government, moreover, believes the replies justify it in concluding that its wish for Germany to have a seat on the Council of the League is being favourably considered by the Governments now represented on the Council.

On the 14th of March, 1925, the Council answered that note of the 12th of December, saying:

The Council notes with satisfaction the declaration, with which that communication opens, that the German Government are of the opinion that the "political developments during the past year have rendered it possible for Germany to join the League", together with the statement in the enclosed memorandum that the German Government have "decided to seek the early admission of Germany" to the League of Nations.

The German Government have already consulted the ten Governments who are represented on the Council and have received authoritative replies from all of them. Any observations which can now be made by the Council, composed as it is of representatives of these same Governments, will obviously not be at variance with those replies. The Council is glad, therefore, to learn that, with one exception, which is dealt with later, the replies are satisfactory to the German Government.

The "one exception" to which the Council refers does not bear upon the permanent seat asked for by Germany but upon the interpretation of Article XVI of the Covenant.

After that answer of Council the way seemed fairly clear, and after the Locarno agreement Germany proceeded to ask its admission to the Assembly. Its application was made on the 9th of February, 1926. The Council met on the 13th February to consider the application, and decided to call a special session of the Assembly for the 8th of March.

To the minds of those who look back upon those proceedings there now appears a strange situation. Unanimity in the Council was essential for the granting to Germany of a permanent seat. When the Council met on the 13th February to consider the application of Germany it knew of the condition precedent that was required by Germany, and with that knowledge it proceeded to call the Assembly. Now, the query is in every mind, why was not the question raised on the 14th of March, 1925, when the answer to Germany was given by the Council? The answer of the Council to the petition of Germany, in which Germany stated that it had sent a circular to the ten Governments, contained the statement that those ten Governments seemed agreeable to grant Germany a permanent seat, and the Council took note of the fact that those Governments had so answered. The Council was composed of the representatives of those ten Governments that had received that circular. Why was not that question put again on the 13th of February last, when the special meeting of the Assembly was called to consider the request of Germany to become a member of the Assembly? The Council knew at that moment that there was a condition precedent—that Germany should be assured of a permanent seat. It is somewhat difficult to say why, but my surmise is that nine of the ten states having answered unequivocally in the affirmative, and not being apprised of the evasive answer of Brazil, took for granted that there was unanimity in the Council.

Hon. Mr. BEIQUE: What was the answer of Brazil?

Hon. Mr. DANDURAND: The answer of Brazil was only disclosed to the world when it was disclosed to the Assembly.

Hon. Mr. BEIQUE: When, and what was it?

Hon. Mr. DANDURAND: I will read the statement made by Mr. de Mello-Franco, when he declared that the position of his Government was irrevocable and final against granting a permanent seat to any one if Brazil did not get one.

Right Hon. Sir GEORGE E. FOSTER: Has my honourable friend the answer of the Brazilian Government to the inquiry made by Germany?

Hon. Mr. DANDURAND: I am just about to read it. Mr. de Mello-Franco, on the 17th of March, 1926, had to mount the rostrum and explain his veto. The request of Germany to enter the League had been referred to the first Commission, called the Political Commission, presided over by Sir Austen Chamberlain. It had approved, and when the Assembly met Sir Austen Chamberlain was called upon to make the report. He was the Chairman and Rapporteur. Mr. Chamberlain, mounting the rostrum, said:

The proposition which I have the honour to make to you depends upon a declaration which has been made to me by the honourable representative of Brazil.

I would beg, therefore, Mr. President, that I may be allowed to defer my remarks until the representative of Brazil has communicated his declaration to the Assembly.

The moment was a very solemn one. All the difficulties had been settled when the representative of Brazil walked up to the tribune. While Sir Austen Chamberlain occupied a seat on the platform, awaiting the declaration, here is what Mr. de Mello-Franco said:

Mr. President, ladies and gentlemen, replying to the memorandum sent by the German Government to the Governments of the States represented on the Council, the Brazilian Government stated that it earnestly desired, and indeed considered it essential, that all States which were still not members should join the League, reaffirmed our devotion to the spirit and letter of the Covenant, of which Brazil was one of the signatories, and proceeded as follows:

"The Brazilian Government is of opinion, however, that the concrete questions arising out of the desires expressed by Germany are such as cannot be dealt with by individual Governments as between themselves; they should rather be stated and discussed as a whole by the Members of the League and within the League in order that the various aspects of these questions and the views of the other Members should be fully made known. The German Government may be sure, however, that we shall examine impartially and in a conciliatory spirit the desires it expresses in its memorandum dated September 29th, 1924, and that we are resolved to find satisfactory solutions for all questions and all just claims, without prejudice to the engagements undertaken by Brazil and to the true doctrine of international law, so far as the latter is applicable in each individual case."

That was the non-committal or evasive answer of Brazil. Now, I wonder if the Brazilian delegate, on the 13th of February, when he joined his nine colleagues in Council in calling the Assembly for the admission of Germany had an imperative mandate. I am inclined to believe—and I want to believe—that he had not, because there is no doubt if an imperative mandate had been disclosed to Council, the Assembly would not have been called till that matter had been settled in Council. It would simply have meant that the Council was not unanimous in granting a permanent seat to Germany and therefore the request of Germany would have been, for the time being, withheld. There was no notion of such a veto being utilized by Brazil when the Assembly met on the 8th of March last. It was known that Brazil had aspired for a number of years to a permanent seat, but there was no idea in the mind of the Assembly, nor of the Members of the Council, that when the time came Brazil would apply its veto if it was not granted a permanent seat jointly with Germany.

The principal trouble did not loom in that direction. The one that engrossed the minds of most of the delegations was the difference that had arisen between Poland and Germany. Poland was not even an elected Member of the Council, but when it saw Germany moving towards the Council it began to wonder if it should not make an effort to obtain a seat there as well. Its desire was intensified when in the Reichstag, in seeking ratification of the Locarno Agreement, Messrs. Luther and Stresemann urged the adoption of those treaties in order that within the Assembly and within the Council Germany might, by peaceful means, succeed in obtaining redress of its grievances against Poland on the German-Polish frontier; that is to say, the Danzig, the Corridor, and the Upper Silesian matters. These are questions that are still thorns in the flesh of the Germans, and one of the great factors in determining Germany to enter the League was that what it felt to be wrongs it might succeed in righting peacefully, through the instrumentality of the League. Germany had declared officially that those questions which were nearest her heart, namely, the Polish difficulties, should be straightened out in the Assembly and in the Council. Poland felt that if Germany obtained a permanent seat in the Council, which sits practically eleven months of the year and to which all questions arising between the nations come for settlement, Poland also should be represented there. I realize quite well the state of mind of Poland, seeing powerful Germany entering not merely the Assembly, but the Council, where in the absence of the other party it could work night and day for what it considered a satisfactory settlement of its claims against Poland. I believe that any nation similarly situated would have had the same desire of having a seat at that round table in order to protect its own interests.

Poland at the outset asked for a permanent seat, and it asked for a permanent seat at that very special Assembly at the same time as Germany was admitted. It said: "If Germany is granted a permanent seat and we are not, the unanimity rule will apply in years to come and Germany by its vote will always be able to block our right to a permanent seat."

Germany by its representatives declared that it could not entertain the idea of Poland obtaining a permanent seat in the Council at the same time as Germany; it would withdraw its request to enter the Assembly if the Council decided to give a permanent seat to Poland at that time. Germany was ready, whenever it became a Member of the Assembly and the Council and had examined the whole situation, to do justice to all and to show prejudice against none, but was not

ready to accede to the present demand of Poland.

Great Britain, through Sir Austen Chamberlain, at the very first opportunity it had in Geneva, notified the Polish Delegation that it would not have Great Britain's support for a permanent seat. Poland realizing the situation, ceased to claim a permanent seat and said that it would be content to have an annual seat if the Council, when voting a permanent seat to Germany, voted for the establishment of a seventh annual seat in order that Poland might immediately enter the Council. Germany refused that proposal. There was considerable discussion over the request of Poland for the creation of a seventh seat. A new permanent seat was being created for Germany, and Poland was getting considerable support for another annual seat. But Sweden, which has a vote in Council, being one of the six Members elected from the Assembly, declared that it would put its veto upon the enlargement of the Council outside of the admission of Germany to a permanent seat.

At that juncture there was a deadlock. What was to be done? Many newspapers were assailing Sweden rather sharply, because it was supposed to be the mouthpiece of Germany. Sweden resented this imputation, and in order to show that it was absolutely disinterested in the matter it offered to resign its seat in the Council and thus make an opening for Poland. Everybody thought that that was the solution. Sweden would resign, there would be a vacancy among the elected Members, and Poland would get that annual seat. To the surprise and dismay of all, Germany again refused that offer of Sweden.

Hon. Mr. BELCOURT: May I ask, what was the reason given by Germany at that time for not accepting that proposition?

Hon. Mr. DANDURAND: Germany claimed that the Assembly had been called simply for the purpose of giving it a permanent seat; that it had been so stated to the Reichstag; that all the people of Germany felt that this was the day of Germany's re-entry into the concert of nations and that it should have the whole stage to itself. Those are not the actual words which were officially spoken, but it could be gathered from a reading of the German papers that Germany felt slighted at the idea that Poland, in order to protect itself from the doings of Germany in the Council, was insisting upon entering at the same time. There is, I understand, considerable bad blood between the two nations, and the newspapers had worked up public opinion to such a degree that the representatives of the Government did not feel safe in returning to the Reichstag if they were obliged to enter the Council arm in arm with their neighbour Poland, who in their estimation had dispoiled them of the territory which I have just mentioned. That was the situation. It must always be remembered that when a Delegate was expressing his opposition to a proposal it was public opinion in his own country, and sometimes near-by electoral or parliamentary opinion, which forced him to take the stand he did. At that stage sympathy, which had gone considerably in favour of Germany, veered against it, because it seemed unreasonable that a proposal so fair as that of Sweden to resign its seat should be rejected by Germany. There was considerable depression throughout the various delegations. I was in contact with many of them. I could see that there was despair in the hearts of those who had been carrying on those negotiations. Mr. Briand stated that he could not understand the position of the Germans and would await their counter offer. The next move should come from them. As a matter of fact, Germany felt that it had lost the sympathies of the Delegations, and the next day made a step towards conciliation in declaring that it would enter the Council with two new Members, but not with one only. It would not agree to Sweden's seat going to an ex-ally, or, in other words, to Poland, but that if some near friend of Poland would resign with Sweden, Germany would then consent to enter with the two new delegates of the Assembly. So Mr. Benès was appealed to, and he said: "I will consult my Government, but you may rest assured that within a few hours I shall put my seat at your disposal." Czecho-Slovakia, which had been elected to a seat from the Assembly, offered to resign with Sweden, in order that Czecho-Slovakia's seat might be taken by Poland and Sweden's by Norway, or Holland, or Denmark.

You can imagine, honourable gentlemen, the relief that this proposition afforded to all the Members, who had been waiting from day to day to see the end of the entanglement, when it was found that at last the trouble had been solved and peace maintained amongst the great European Powers.

But while that difficulty was being smoothed cut, approaches were being made to Spain with a view to ascertaining what would be its stand. The representatives of Spain stated that it had a right to a permanent seat, for which it had been asking since 1920; that its position and the part it had played in the history of the world, the fact that practically all of South America was represented by the Spanish race, the fact that the

Italians, the French, the British, the Germans and the Japanese would be represented permanently—all this entitled their own proud country to a permanent seat. It was felt that Spain was smarting under the necessity of going annually to the Assembly to beg for a seat on the Council notwithstanding it had in the past played one of the principal roles in Europe and in the world. Spain had obtained promises that it would be considered for a permanent seat at a future date. But when Mr. Quinonès de Léon, the Chief of the Spanish Delegation, was asked whether he would oppose his veto if Spain were not granted a permanent seat, he said: "I cannot, because my country answered Germany in the affirmative. We shall vote for the entry of Germany, but I give you notice that it may mean our withdrawal from the Assembly." At the same time rumors were current that one or two other countries would do likewise. Immediately there was a reaction on the part of the German Delegation, who said, "If we are to be the cause of the breaking up of the Assembly, we will withdraw altogether."

All those difficulties were appearing at the same time, and made the situation quite grave, but the Great Powers were trying to bring some solatium to Spain, promising that there would be a reconsideration of the whole formation of the Council, and that the case of Spain would be sympathetically approached. In that direction it was felt that there was no more danger. But at the last moment the Brazilian problem appeared. The Brazilian delegates declared that they had an imperative mandate, and that they could not vote to give Germany a permanent seat if they also did not get a permanent seat. The Great Powers, through their ambassadors, got in contact with the Brazilian Government, and strongly urged it to desist, representing that such action would make for the strengthening of the League and that, if Germany were admitted, Brazil's case would be later considered. The Delegates of the ten following nations met and passed a resolution—Chile, Colombia, Cuba, Guatemala, Nicaragua, Paraguay, the Dominican Republic, Salvador, Uruguay and Venezuela—of which I cite the last paragraph:

The American delegations, conscious of the gravity of the League's present situation, regardful of the interests of world peace, and realizing how essential it is that the American States should exert their influence to bring about the reconciliation of the peoples of Europe, desire to express to His Excellency M. de Mello-Franco the hope that Brazil will take such steps as she may consider most opportune to bring about unanimity in the Council and so remove the difficulties which stand in the way of its decision.

This was cabled to the Brazilian Government, but to no avail, for on the morning of the 17th a cable came maintaining the imperative instructions that had been given to Brazil's representatives to the League, and the result was that Sir Austen Chamberlain did not propose to the Assembly the admission of Germany, because the condition which had been set by Germany could not be complied with. In the Assembly Sir Austen Chamberlain expressed his very great regret at the failure of the Assembly to do what it had been called upon to do. He said:

When we all came to Geneva, we found that there had risen suddenly, and owing to a regrettable misunderstanding—I might even say owing to a regrettable failure on either side to mention a point which was of critical importance—many difficulties in the way of the immediate acceptance of Germany.

At one moment those difficulties existed in the ranks of the Powers which signed the Protocol of Locarno. I am profoundly happy to be able to say that all the difficulties which existed in the ranks of the seven Locarno Powers have been removed and that, if they had been the only obstacle, we might at this moment vote the entry of Germany into the League, to-day she might receive her permanent seat upon the Council, and this new acquisition of force and strength to the League, this new pledge for the stability of peace, would have been realized, as we all earnestly trusted that it might be.

And Mr. Briand said, among other things:

It is essential that the Assembly should close with a moral admission, as it were, in anticipation of the actual realization of our hopes. Accordingly, as a delegate of France, I venture to submit to you the following draft recommendation:

"The Assembly:

Regrets that the difficulties encountered have prevented the attainment of the purpose for which it was convened,

And expresses the hope that between now and the ordinary September session of 1926 these difficulties may be surmounted so as to make it possible for Germany to enter the League of Nations on that occasion."

This resolution was passed unanimously, and indicates fairly well the sentiment of the Assembly.

But there was more. In order to show the prevailing spirit of Locarno, those Central Powers which yesterday were enemies, but which now were working together under the promise of a Treaty which had as its basis arbitration, met on the eve of the last meeting and signed the following statement:

The representatives of Germany, Belgium, France, Great Britain and Italy held a meeting to-day and examined the difficulties which have arisen from questions of procedure and which render it impossible to attain the common desire. They take note that they have arrived at an agreement and have overcome all obstacles which for the moment had arisen between them. If, as there seems reason to fear, the above difficulties persist, the representatives of the Powers who signed the Protocol at Locarno would regret not to be able at this moment to reach the goal which they had in view, but they are happy to recognize that the work for peace which they had realized at

Locarno and which exists in all its value and all its force remains intact. They remain attached to it today as yesterday, and are firmly resolved to work together to maintain and develop it. They are convinced that on the occasion of the next session of the Assembly difficulties which exist at this moment will be surmounted and that the agreement which was reached in regard to the conditions for the entry of Germany into the League of Nations will be realized.

This was signed by Herr Luther, Herr Stresemann, M. Vandervelde, M. Briand, Sir Austen Chamberlain, Signor Scialoja, Count Skrzynski, and M. Benès.

There is no use closing our eyes to the fact that there was real consternation in the Assembly when the result of all that work proved abortive; but I realize that outside the Assembly there was still greater consternation. In the Assembly the members had been so fearful of a division between the Great Powers that they were much relieved when that danger vanished, and the Brazilian incident was taken as a simple accident resulting from the rigid rule of unanimity. Outside of the Assembly consternation was greater—and why? Because the press correspondents had led the people to believe fantastic stories of conspiracies and plottings between the nations of Europe. Those machinations were pure fabrications. I stated in a speech in London that the war correspondents had not been demobilized, that they were still on the war-path; that although noxious gases were being prohibited by the League of Nations, the foreign correspondents were poisoning public opinion every morning. The phrase I used, "war correspondents on the war path," was but a figure of speech. I had in mind, and I did mention, the foreign correspondents who daily cable to American and Canadian newspapers from London and the continental capitals. I could give dozens of their dispatches which have created the impression and the conviction that the European countries are here and there and everywhere scheming and plotting against each other. The necessary effect of this work in America is to create suspicion of and contempt for the European Governments. Those correspondents think that they must be sensational, and when they are not melodramatic they suggest or magnify incidents into tragedies.

I will give but one example of their handiwork. The incidents which developed at Geneva are most natural. They are the result of the legitimate ambitions of the various countries involved. We see public opinion in those countries asserting itself, and I need not stress the claim of Brazil for a permanent seat. Brazil says: "You have three European representatives occupying permanent seats; Germany will go in; that will be four. South America has no permanent seat. This Council is becoming a European instrument or organization. Is not South America, with its eighteen republics, important enough to have a permanent seat?" And when Brazil speaks thus, it is South America, represented by Brazil which is claiming that it is entitled to a permanent seat. I say that in order that one may grasp the reason for the action of each country.

How did the press correspondents, during the weeks preceding the reunion at Geneva, present those questions to the American and the Canadian public? We were told that a plot was being hatched to secure for the Latin nations the control or domination of the Council. We were told that France and Italy were plotting to bring Spain and Brazil into the Council in order to increase their influence and power over the Anglo-Saxon group composed of Great Britain, Germany, and the northern nations. One correspondent went further. He saw a plot, headed by the Pope, to ensure the hegemony of the Catholic Church in the Council. This was a most vicious propaganda, as it tended to raise suspicion between two important groups of people on racial and religious lines.

This was the situation when I left Canada for Europe. When I landed in Europe, what did I find to be the fact? Latin and Catholic Spain as far back as 1921, had had the promise of a permanent seat from a country neither Latin nor Catholic—Great Britain—as declared officially in the House of Commons of Great Britain by Mr. Baldwin, when the Lloyd George Government was in power. France had shown sympathy for only one country, and that was not a Latin country—France had declared sympathy for Poland, its ally on the other side of Germany. Mr. Briand explained that France favored Poland's entry into the Council so as to enable Germany and Poland to discuss their divergences by a direct and friendly contact while otherwise France, which wants peace with Germany, would risk being in a constant wrangle with her over Poland's affairs. The representatives of all the countries that were gathered at Geneva were animated by the best intentions, and were working fraternally toward an amicable solution. All those nations that were supposed to be wrangling amongst themselves were working hand in hand to find a solution that would be acceptable to the whole Assembly. We must beware, honourable gentlemen, of the correspondents who see in Europe nothing but rivalries, suspicions and hatreds. The people of Europe want peace—nothing

but peace—and all their Governments are striving to that end.

I desire to lay on the Table the report of the Sixth Assembly of the League of Nations.

Hon. Mr. SCHAFFNER: May I ask the honourable gentleman if the number of permanent seats is restricted?

Hon. Mr. DANDURAND: Oh, yes. At the signing of the Covenant of the Treaty of Versailles there were five permanent seats —Great Britain, France, Italy, Japan, and the United States. The number of seats is still five, but there is one vacant.

Hon. Mr. SCHAFFNER: How long ago were they restricted to that number?

Hon. Mr. DANDURAND: In the Covenant itself.

Hon. Mr. SCHAFFNER: What year was that?

Hon. Mr. DANDURAND: On the 28th or 29th of June, 1919.

Hon. Mr. SCHAFFNER: I do not pretend to know very much about this, and am asking for information. Is there any good reason why the permanent seats should still be restricted in number?

Hon. Mr. DANDURAND: At this very moment a Commission appointed by the Council for the study of this very question of the composition of the Council is sitting in Geneva, and I understand that Lord Cecil, who represents Great Britain, has insisted upon permanent seats being allowed only to the Great Powers, and has proposed adding one for Germany; but, according to a dispatch which I read this morning, he suggests that three annual seats be added—that is, that the Assembly, instead of electing six Delegates every year should elect nine Delegates by proportional representation. That would ensure the election of Poland and would force Spain to accept the elective principle in its own case. The dispatch says it would probably allow of a third seat being given to South America, Brazil and Uruguay already having one each.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I think we owe a debt of recognition to the honourable gentleman who has just taken his seat. He has had the rather difficult task of making an explanation which should not become lost through being too long, and which yet should be comprehensive enough to cover the subject and be understood. That is a difficult proposition to tackle, and a difficult piece of work to accomplish. I think such a statement will be very useful, and it is fortunate that it has been placed upon Hansard to be a record for the future.

I do not think there is anything to be gained by my taking up the time of this Chamber at any length upon this subject which has been so well explained by my honourable friend. I am entirely in sympathy with his statement that it was unfortunate that the press of the world, when it found itself unable to get fluent and current news from day to day, betook itself to the fabrication of news along the lines of its own impressions or prejudices. I think that for a time a very great deal of harm was done in that way to the League itself, and to the cause which the League represents; but it has always been my experience that those excesses rather cure themselves, and that when the real explanation is given it is probably more beneficial in its effect in the long run. For a little while we were quite familiar with the expression that this was a matter which presaged the downfall and overthrow of the League of Nations; that it had now come to a particularly critical moment which would try its virtue; and that in the trial the League itself would probably disappear. I think I have read a great many similar statements with reference to the League.

For one reason or other I have had occasion to make a pretty general survey of the utterances of the newspaper press for the last two years, not only with reference to the League of Nations, but in relation to other questions important for the time being; and it is really amusing to take a survey of the statements made from day to day and from week to week as to events which are occurring, and to put the confident assertions and conclusions of the press to the test of what actually occurs. It is certainly a very instructive piece of work, and the lesson that one gets from it is that, after all, the truth itself is what tells in the end, and that what is manufactured in the way of imaginings, or personal opinions, or foreshadowings, of prejudices or of strong ideas, is not what ultimately carries the conviction of the world. So I am of opinion that what occurred, although lamentable, because it appears to have set back for a time the accomplishment of what I believe the whole world wanted, revealed no inherent weakness in the League itself, and no permanent injury has been done to the League. Rather the very serious crisis itself has called out the spirit, the inner force and virtue of the League, and there has been a gratifying response in courage, in hope, and in a determination that the principles of the League, being good, should be adhered to, as well as a conviction that they will in the end triumph.

We must not be surprised that there are serious differences of opinion in a League of 55 nations, where public men from all those nations come together, where very difficult questions are up for discussion and decision, and where generally the feelings of delegates are strong in proportion to the vastness and distribution of the questions themselves, and the consequences which may grow from them. In a conference of 55 nations we must look for differences which go deeper than those which stir smaller aggregations. But, after all, when we take the history of the League in its critical moments we find that those strongly-marked differences are all overshadowed and mellowed in the end by the one great idea that dominates the whole—that we are all a human brotherhood, and that it is best that peace should dominate, and that war should be thrown into the discard. That is the conviction that comforts and animates me, and I am sure all others who watch with interest the work and progress of the League; and that is the thing that gives hope and courage for the future.

I am not going to comment upon what has taken place in detail, but there was one step which, if it had been determinedly taken, would, I think, have obviated all this difficulty. When the arrangement was made with Germany on the basis of the Locarno pacts, and those pacts were only to be put in operation when Germany should become a member of the League and have a permanent place upon the Council, the process of carrying out that agreement was a simple one. None of these difficulties would have arisen if no intimations had been made that possibly this or the other thing might be done at the extraordinary meeting of the League that was called for the one purpose only. But somehow or other the idea got abroad that there was a possibility that at that extraordinary meeting something else might be done in addition to what the meeting was definitely called for; and the moment that that idea began to work, there developed sentiments of personal pride in the man, national pride in the nation, and the desire for being even with or ahead of another nation; all such difficulties cropped up, and first one and then another made a bid for a permanent place, and wanted it secured at that special and extraordinary meeting. However, no examination or autopsy will bring back life to a man that is dead; so it is not of much use going back; but to my mind that would have been a clean and clear path out. The agreement with Germany was that she should be given a permanent place in the Council of 10 as it then existed. For that purpose and that alone the Extra Session was called. Any intimations made or hopes held out that Poland or Spain or any other should be added and the constitution of the Council thus changed were mischievous and dangerous.

But out of all this there comes good, and I can see two things which are encouraging. One is that the League of Nations cannot be manipulated and managed under the old system of secret diplomacy. There was a spice of that old heresy at the bottom of the recent difficulty. There was an idea among a few of the strong and powerful that if they agreed upon a thing the 55 nations would come in and agree to it as well. But the very breath of life of the League of Nations is that it shall discuss and settle its affairs as a League of Nations, and not by any manipulations or intrigues or cabals amongst even the most powerful of nations who think they can settle matters at a tea-party and come to a conclusion which they can put over on 55 different nations. I sympathize absolutely with one remark made by De Mello-Franco, who put the idea very strongly, as did other members of the delegation at that meeting, that the League must be worked in the League atmosphere, and with the League spirit, and on the League basis, and not with any threatened or possible infusion of the old spirit of secret diplomacy. If that lesson has been learned—and I believe it has been absolutely and thoroughly learned now—the League has made a great step forward in the world, and is a great deal better off than it was before, on account of this little trouble that has taken place. That is one thing that I think has come to the good.

The other is that when you come down to the critical point you do not find men laughing and jeering at the League. Where it is a question of make or break you do not find levity, but you find a spirit of the most intense concern, and the deepest feeling, and the conviction: "This thing must be made right; this thing cannot be allowed to go wrong; we are here in this forum with the world's eyes upon us, and professing to be working for the peace of the world; we must keep that in mind; that must be our guiding star, that must be the spirit that animates us. Individual pride and consequence, and state pride and consequence, must be put in the retreat rather than in the front, and the international, the world spirit, must conquer over the individual or national or sectional spirit."

We have heard talk about having Latin combinations and British combinations, and the like of that. The very talk of it is poison

to the League spirit. People do not join the League and give effort to the League, and work for it in order that they may exalt individuals or nationalities, but rather that they may fuse the world, wean it from a too great devotion to prejudiced nationality, and broaden it out along the line of the brotherhood of all nations, with a give-and-take attitude which will exalt the spirit of world in peace and in sacrifice, sometimes to the seeming detriment, but afterwards to the real advantage, of both nation and the individual.

I have trespassed longer than I should have done on the patience of the House, but there were two or three things that I felt in my heart, and I desired to state them. I want to thank my honourable friend the Leader of the Government (Hon. Mr. Dandurand) for the full way in which he has put this matter upon the record, and I am sure it will be a useful record for us in the future.

ADJOURNMENT OF THE SENATE

MOTION

Hon. Mr. DANDURAND: I beg to move that when the Senate adjourns this afternoon it stands adjourned until May 25th next, at 8 o'clock p.m.

The motion was agreed to.

MARITIME RIGHTS

QUESTION OF PRIVILEGE

Hon. Mr. DANDURAND: I think my honourable friend from Pictou (Hon. Mr. Tanner) has some matter which he wishes to present to the House.

Hon. Mr. TANNER: I think it is fitting in this Chamber to make a brief statement in a matter of importance that relates to the Province of Nova Scotia.

Recently through the press of that Province Hon. F. B. McCurdy, a former member of the House of Commons as a Conservative, and for a time Minister of the Crown, issued a statement in regard to what are known as Maritime Rights. In that statement Mr. McCurdy makes it plain to me that his first choice is "that the right to live and do business in Nova Scotia should be established within Confederation." He adds: "but if this is impossible of attainment, then in the interest of home and province I would not hesitate to withdraw rather than attempt to carry on under the present system, that is sapping our province for the enrichment of Central Canada." Further on he says that "the demand for repeal would be made as an alternative forced upon us in case the Government and Parliament of Canada should refuse, upon demand of our local Government, to relax and modify their regulation and control of trade, taxation and the fisheries in order that the peculiar interests of our Province may no longer be prejudiced thereby."

I observe that in places outside of Nova Scotia this statement is being regarded as a pronouncement on behalf of the Conservative Party of Nova Scotia. I do not so understand it. I take it to be the expression of Mr. McCurdy's personal views. When I say that in the general Provincial elections of 1925, and the general Federal elections of the same year, Mr. McCurdy did not engage actively in the campaigns, as he formerly did, on behalf of the Conservative Party, I am stating a fact. Mr. McCurdy, no doubt, sincerely believes that the Province could be better served by following a course which he previously outlined in a pamphlet published over his signature, and to which he referred in his recent statement; and he refrained from activity in the Conservative ranks.

In this connection it is to be noted that the Province is represented in the present House of Commons by men who were elected last October; and that they have very clearly laid before Parliament and the country the claims of their Province. Not one of them, as far as I have observed, has deemed it to be either prudent or necessary to invoke or threaten secession.

In my opinion it is unfortunate that Mr. McCurdy should choose the present moment to re-introduce what is construed in places to be a threat of secession in Maritime questions. To do that, I think, is likely to prejudice Maritime interests.

Nova Scotia is just now looking hopefully to her recently elected representatives for leadership. So are the other Provinces. The other day the House of Commons, on the motion of one of them, W. A. Black, of Halifax, unanimously approved of a resolution calling for redress of certain Maritime transportation grievances. The Dominion Government has been so much impressed by the claims of the Maritime Provinces that it has constituted a Royal Commission, with wide powers, to examine into those claims. The Board of Railway Commissioners has been engaged in investigation of Maritime complaints in regard to freight rates. The recently-appointed Tariff Board is said to be engaged in inquiry into the coal and steel tariff. Members of the House of Commons in general have been expressing a desire sympathetically to co-operate with Maritime members, and the newspaper press at large has been equally sympathetic.

Under these circumstances, and in view of the fact that Mr. McCurady's statement is being regarded as a threat of secession—although it is qualified—it was, in my opinion, an error of judgment to intervene with such a statement. Nor do I believe that the considered judgment of the people of the Maritime Provinces will approve of the re-opening of secession propaganda. There is no reason why the interests of the Maritime Provinces should not be fairly and satisfactorily adjusted, and grievances redressed by the Federal Parliament, without calling up the old phantom of secession, which played its political part in Nova Scotia between 1867 and 1887, but was subsequently relegated to the grave by the politicians who made use of it.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Hon. 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 for the relief of Elizabeth Gertrude Orr.
An Act for the relief of Melville James Andrews.
An Act for the relief of Harry Reginald Oddy.
An Act for the relief of Mildred Roxie Horner.
An Act for the relief of Frances Muriel Burnet.
An Act for the relief of Ada Toms.
An Act for the relief of Vera Sanderson.
An Act for the relief of Noel Leslie Deuxbury.
An Act for the relief of Lillian May O'Reilly.
An Act for the relief of Jean Victoria Dillane.
An Act for the relief of Ethel Alberta Barker.
An Act for the relief of Annie Hazel McCausland.
An Act for the relief of Sterling LeRoy Spicer.
An Act for the relief of Amy Bell Corney.
An Act for the relief of David Frank Crosier.
An Act for the relief of Ethel Gildea Nye Brown.
An Act for the relief of Edward Thomas Faragher.
An Act for the relief of Bertha Viola Lidkea.
An Act for the relief of Mike Ayoub (otherwise known as Michael Ayoub).
An Act for the relief of Alice Marian McGinley.
An Act for the relief of Harold Edgar Perinchief.
An Act for the relief of Hendel Tuerner Lubrinetsky.
An Act for the relief of Paul Hugh Turnbull.
An Act for the relief of Helen Elby Pollington.
An Act for the relief of Alexander Stewart.
An Act for the relief of William Melville Moore.
An Act for the relief of John Samuel Milligan.
An Act for the relief of Marian Richardson.
An Act for the relief of Isadore Boadner.
An Act for the relief of William Albert Thomas.
An Act for the relief of Gertrude Isabel Clark.
An Act for the relief of Helen Seymour O'Connor.
An Act for the relief of Yetta Selma Trachsell.
An Act for the relief of Alexander Dewar.
An Act for the relief of Florence Burrell.
An Act for the relief of Edith Marion Byam.
An Act for the relief of Charles Davidson.
An Act for the relief of Doris Selina Irvin.
An Act for the relief of Frank John Davis.
An Act for the relief of John Norman Smith McMurray.
An Act for the relief of Archie Claire McIntyre.
An Act for the relief of Mabel Elizabeth Harcourt.
An Act for the relief of Louise Gordon Pook.
An Act for the relief of Ezillah Harriet Cole.
An Act for the relief of Gertrude Burnside.
An Act for the relief of Cora Mae Murray.
An Act for the relief of Janet Thornhill Gorrie.
An Act for the relief of Lillian DuBord Bulloch.
An Act for the relief of Henrietta Schiefholtz.
An Act for the relief of Maude Elizabeth Gilroy.
An Act for the relief of Richard Howard Buckley.
An Act for the relief of William George Darlington.
An Act for the relief of Arthur Watson.
An Act for the relief of Frances Marjorie Warren.
An Act for the relief of Charles Douglas Palmer.
An Act for the relief of Beatrice Isobel Lamontagne.
An Act for the relief of Jane Johnston Mitchell Wells.
An Act for the relief of Jeremiah Gibbs.
An Act for the relief of Caroline Elizabeth Risbridger.
An Act for the relief of Cassie Woodley.
An Act for the relief of Isabelle Freeman.
An Act for the relief of George Guthrie.
An Act for the relief of Lily Stead.
An Act for the relief of Alice Grace Hopkins.
An Act for the relief of Vera Catharine Searle.
An Act for the relief of Charles Frost.
An Act to change the name of the Dominion Express Company to "Canadian Pacific Express Company".
An Act for granting to His Majesty a certain sum of money for the public service of the financial year ending the 31st of March, 1927.

The House of Commons withdrew.

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

The sitting was resumed.

THE WINNIPEG STRIKE OF 1919

QUESTION OF PRIVILEGE

Hon. G. D. ROBERTSON: Honourable gentlemen, because of the announcement that when the Senate adjourns to-night it will stand adjourned for two weeks, and because of a matter of considerable public and very serious personal importance that should be mentioned to-day, I crave the indulgence of the House for a few moments to bring to the attention of the House, and particularly of the Government, an incident which occurred yesterday.

It was only about ten minutes before the House met this afternoon that a private citizen of Ottawa called me on the telephone and drew my attention to certain statements contained in the House of Commons Hansard of yesterday. I could scarcely believe that any honourable member occupying a seat in Parliament could so far depart from the truth, knowing that he was doing so, as an honourable member of the other House did. Therefore, while it is fresh in the minds of all, it is desirable, if possible, that truth should overtake misstatements of fact. I therefore propose to refer to a statement which appears on

page 3414 of the Hansard of the other House, and which was made while the honourable member representing the constituency of Kenora-Rainy River was discussing the Budget and incidentally dealing with the propriety or otherwise of sending troops into Nova Scotia when the lamentable coal controversy was taking place there last year. The honourable member made use of the following words:

The Hon. the SPEAKER: I do not like to interrupt the honourable gentleman, but I think he is out of order in dealing with such a matter. I understand that he is reading from the Hansard of the House of Commons.

Hon. Mr. ROBERTSON: I have in many instances read and heard read quotations from Hansard. I desire to refer to a statement made in another place, that statement being that in the strike of 1919 in Winnipeg—

> Troops were ordered there; the troops went in and they were ordered to shoot; they did shoot and did kill, and the Conservative Government of the day, or the Union Government, which was the same thing, were responsible.

Another honourable member rose in his place and asked the gentleman if he was making that statement of his own knowledge, to which a reply was made, the only relevant part of which was:

> I was in Winnipeg at the time.

—which would lead listeners, and people throughout the country who may read it, to believe that the statement was true, and that the gentleman asserted that it was true of his own knowledge, he being in Winnipeg at the time.

That is the part that I think is of public importance. The fact is, and I state it on my responsibility as a Minister of that day, that not a single soldier was sent to Winnipeg, and not a single soldier was requisitioned by municipal, provincial, or other authority.

Now, what are the facts? The facts are that there was a small unit of the permanent force in the city of Winnipeg, under the direction and command of General Ketchum. When that lamentable difficulty in Winnipeg occurred in 1919, it was thought by many, and suggested by some, that a military force should be sent in there to protect life and property. The question that has arisen in other instances arose there, namely: "Who is to pay the cost?" and the citizens of Winnipeg came to the conclusion that they were prepared to protect and capable of protecting their own city, and that as business was all tied up anyway they might as well be doing that as anything else. As a result, somewhere between 1,500 and 2,000 of the citizens of Winnipeg organized themselves into a voluntary militia force under the command of the permanent officers in that district. They were never called into service by any government.

In addition to that force there was in Winnipeg a post of the Royal Canadian Mounted Police, which has been stationed there, I suppose, for the last forty years—at all events, for a considerable time. That force consisted of 49 men, not one of whom was brought from outside the city of Winnipeg during the whole trouble.

So much for the statement of the facts of the honourable member. I challenge him or anyone else in or out of Parliament to deny what I have said as being true.

But there is a personal side to this which I cannot permit to pass without mention. The honourable member proceeds—

Hon. Mr. DANDURAND: I would rather my honourable friend would seem to have read it in the newspaper.

Hon. Mr. ROBERTSON: I have read that an honourable member in another place stated that:

> All that was necessary in the Winnipeg trouble was that the Minister of Labour, who was on the job—

By that he means that he was in Winnipeg—

> —should have used a little horse-sense, and there would have been no bloodshed. But instead of that, he chose to have the troops sent in. It was premeditated.

Inasmuch as the Minister of Labour of that day was the same man who now speaks to this House, I take serious exception to being charged by a member of Parliament on the floor of Parliament with being responsible for the death of any human being when the charge is wholly untrue. Again, what are the facts? I shall not attempt to relate what occurred during the weeks of that difficulty in Winnipeg, because they are not relevant, and it would take too long; but the particular incident which is referred to here can be outlined in a few short concrete sentences.

On a Thursday—I forget the date exactly, because, perhaps contrary to custom, I left behind all the records in the Department when I ceased to be Minister, and therefore can only speak from memory—on a Thursday night about nine o'clock, I think it was, some 4,000 men and women gathered on the City Hall Square at Winnipeg and passed resolutions of various sorts, only two of which are relevant. One was that they would on the following Saturday at, I think, the hour of two o'clock, hold a monster parade—parades having been forbidden by the proclamation of His Worship the Mayor of the city. The other was that it was necessary that they

should parade in violation of the Mayor's proclamation for a specific purpose which could not be accomplished otherwise, and that was to go to the Royal Alexandra Hotel, which was the headquarters of the Minister of Labour at that time, and drag him out and beat him up and send him home in a box to the Government of the day.

Those were the words of the resolution as they appeared in the newspaper next morning, as I recall it. That was a fairly interesting situation. Within two hours of the time that resolution was passed, the Minister of Labour got into communication with the solicitor for the Winnipeg Trades and Labour Council, and urged them not to violate the Mayor's proclamation, saying: "The Mayor's proclamation gives you the right and privilege of meeting in any public park in this city and discussing your trouble, but forbids you to parade the streets. If it is me you want to talk to, I will meet you Saturday morning in any public park, at any hour you may name, and will answer your questions and discuss your trouble." What resulted? A committee of seven men, if I remember correctly, met in the Alexandra Hotel on the Saturday morning. I was not asked to go to any public park to carry on the conference. There were present at that conference General Ketchum, Commissioner Perry of the North-west Mounted Police, the Mayor of the city of Winnipeg, a gentleman who had been delegated to represent the Department of Justice, and myself. The conference proceeded, and demands were made, some of which were reasonable and were conceded, and some of which were wholly impossible and had to be denied. At twenty-five minutes past one, one of the committee said: "Well, let us get out of here and get something to eat before the fight begins"—referring to the parade that was to start at two o'clock. Another said, "Don't be in a hurry, we are not going to eat; we will fight better on an empty stomach." The gentlemen whose names I have given were present and heard that conversation, and no doubt can verify what I say.

His Worship the Mayor left the hotel and went to the City Hall. By that time there were at least 10,000 people congregated around that building and along the main street, and at two o'clock the parade began to form. His Worship the Mayor protested against his proclamation being violated and informed the leaders of what would ensue, but they persisted in their attitude. Then His Worship read the Riot Act, and called upon the Mounted Police to assist in maintaining order. Neither the Government nor your humble servant had anything to do with that, although I may say that it was perfectly proper and the only thing to be done at the moment.

Within twenty minutes after that the Mounted Police, who were quietly endeavouring to clear the street, were attacked with revolvers or rifles fired from the roof of a local hotel opposite the City Hall Square, and one of the horses was injured and one of the riders badly beaten up and disabled, while others were attacked. The Mounted Police rode around the City Hall and came along William avenue, by the side of the Union Bank, where a number of men were throwing missiles at them. The missiles included broken bottles and pieces of concrete broken up roughly, which were rather nasty things to be hit with. After having received the command of an officer to protect themselves, one of the Mounted Policemen ordered a man standing on the sidewalk to refrain from throwing a missile which he had in his hand and which he was about to discharge. The man persisted in his attack, and was shot by the policeman. That was the only casualty in a general strike which lasted over five weeks. Immediately following this incident, His Worship the Mayor appealed to General Ketchum to come to the assistance of the Mounted Police and to restore order. Before the volunteer militia force arrived the throng had commenced to disperse and disappear, everybody realizing that probably something more serious would happen as a result of the shooting. The volunteer military forces took charge of the main street, and forbade traffic upon it or crossing it, except at certain points, and continued to maintain order during the afternoon and evening. The next day, Sunday, all was quiet, and on Monday the trouble was practically over.

I have taken the pains to state these facts to the House, and to all others interested, because of the fact that I was present in the somewhat responsible capacity of Minister of Labour at that time, and because I resent being charged by a member of Parliament with being responsible for the loss of life on that occasion, when I had nothing whatever to do with it. Neither was any other man in authority responsible for what occurred; only the man himself being to blame.

May I conclude by expressing the hope that the Government will see that the honourable member, who is a junior member and supporter in another place, and who may lack experience, although he has been a member of a provincial legislature, is cautioned against such unwise and unfair and untrue public state-

ments? I would suggest that if the honour and dignity of Parliament is to be reasonably maintained; if public men in Parliament are to enjoy and receive the confidence and respect which they must necessarily have if they are to be of service to the people whom they represent, dignity and truth must mark their conduct. Honest men who have any regard for their reputations will not idly submit to charges and imputations of that sort, which are wholly without foundation in fact, and which obviously are made maliciously. I hope the honourable member who made the statement will see fit to offer some explanation of his conduct, or admit his indiscretion and confess the truth.

The Senate adjourned until Tuesday, May 25, at 8 p.m.

THE SENATE

Tuesday, May 25, 1926.

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

Prayers and routine proceedings.

PRIVATE BILLS

SECOND READINGS

Bill 19, an Act to incorporate The Pioneer Insurance Company.—Hon. Mr. McMeans.

Bill 20, an Act respecting The Pacific Coast Fire Insurance Company.—Hon. Mr. Crowe.

Bill M4, an Act respecting The Quebec, Montreal and Southern Railway Company.—Hon. Mr. Beique.

Bill H5, an Act to incorporate The Detroit and Windsor Subway Company.—Hon. Mr. McMeans.

DIVORCE BILLS

SECOND READINGS

Bill F4, an Act for the relief of Mabel Ellen Barrett.—Hon. Mr. Gordon.

Bill G4, an Act for the relief of Mabel Victoria Westerby.—Hon. Mr. White (Pembroke).

Bill H4, an Act for the relief of Morgan Hart.—Hon. Mr. Mulholland.

Bill I4, an Act for the relief of James Arthur Breadon.—Hon. Mr. Ross (Middleton).

Bill J4, an Act for the relief of Marjorie Esther Splan.—Hon. Mr. Ross (Middleton).

Bill K4, an Act for the relief of Gladys Orme.—Hon. Mr. Ross (Middleton).

Bill L4, an Act for the relief of John Andrew Reid.—Hon. Mr. Schaffner.

Bill N4, an Act for the relief of William Thomas Charlton Spence.—Hon. Mr. Schaffner.

Bill O4, an Act for the relief of Gladys Lucie White.—Hon. Mr. Schaffner.

Bill P4, an Act for the relief of Robert Stewart McIntyre.—Hon. Mr. Schaffner.

Bill Q4, an Act for the relief of Goldie Luella Russell.—Hon. Mr. Schaffner.

Bill R4, an Act for the relief of Arthur Atkinson.—Hon. Mr. Haydon.

Bill S4, an Act for the relief of Lillian Edith Hudgin.—Hon. Mr. Haydon.

Bill T4, an Act for the relief of Mary Booth.—Hon. Mr. Haydon.

Bill U4, an Act for the relief of Bernard Ernest Sleeth.—Hon. Mr. Haydon.

Bill V4, an Act for the relief of Elsie Fray.—Hon. Mr. Haydon.

Bill W4, an Act for the relief of Cecilia Marrie Peters Kendall.—Hon. Mr. Haydon.

Bill X4, an Act for the relief of Elias Malky.—Hon. Mr. Haydon.

Bill Y4, an Act for the relief of Ethel Beatrice Walker.—Hon. Mr. Haydon.

Bill Z4, an Act for the relief of George Elgie Dulyea.—Hon. Mr. Haydon.

Bill A5, an Act for the relief of John Wilson.—Hon. Mr. Haydon.

Bill B5, an Act for the relief of John Sydney Wright.—Hon. Mr. Haydon.

Bill C5, an Act for the relief of Alice Victoria McGibbon.—Hon. Mr. Haydon.

Bill D5, an Act for the relief of Lillie Torrance Cascadden.—Hon. Mr. Haydon.

Bill E5, an Act for the relief of James Thomas Young.—Hon. Mr. Haydon.

Bill F5, an Act for the relief of Copland William Evans.—Hon. Mr. Haydon.

Bill G5, an Act for the relief of Arthur John Harman.—Hon. Mr. Haydon.

Bill I5, an Act for the relief of Annie Rebecca Herbert.—Hon. Mr. Smith.

Bill J5, an Act for the relief of David Joseph Potter.—Hon. Mr. Pope.

Bill K5, an Act for the relief of Walter Harold Bingley.—Hon. Mr. Pope.

Bill L5, an Act for the relief of Ethel Harriett Little.—Hon. Mr. Robertson.

RICHES DIVORCE PETITION

REPORT OF COMMITTEE

Hon. Mr. WILLOUGHBY moved concurrence in the 74th report of the Standing Committee on Divorce, to whom was referred back the petition of Charles Stanley Reid Riches, together with the evidence taken before the said Committee.

He said: Honourable gentlemen, perhaps a word of explanation might be found accept-

able by the House. The names of co-respondents, when known, are constantly placed in petitions, but under the standing rules there is no obligation to serve the co-respondents with notice. The result is that a person may be named as a co-respondent and have absolutely no knowledge whatever of the proceedings. I think that some members of the Committee would regard it as desirable that at the next Session of the House we should amend the rules so as to have co-respondents served, as is the English practice. In the Old Land and in some of our provincial jurisdictions co-respondents may, under certain circumstances, be answerable in damages; but it would not be the intention to ask for powers in that respect.

The explanation in the present instance is this. A certain gentleman, whose name I have forgotten at the moment, through his solicitors made representations to me with regard to the Riches petition, stating that he had been mentioned in it but that he had never been served with a copy and had absolutely no knowledge of the hearing. We had recommended the granting of a divorce. The act of adultery on which the finding was based was committed in his apartments, and, he being named in the petition, there would be a fairly strong natural inference that he was the guilty person. He is a well known business man in Montreal. He asked through his solicitors that evidence should be taken on the question whether or not he was the person involved. We asked the Senate to be good enough to refer the petition back to the Committee. Evidence was tendered as to whether or not he was the person with whom the adultery had been committed: we were perfectly satisfied he was not there, and the co-respondent remained unidentified, as is very often the case. That is an explanation of an unusual proceeding which might occur under our rules.

Hon. Mr. DANDURAND: I do not think I have ever attended a sitting of the Divorce Committee; so I am absolutely ignorant of the rules that prevail there. I confess to being very much surprised that in a petition printed and circulated a citizen of Canada may be denounced as guilty of a certain offence, and odium may thus be cast on his name and considerable disturbance caused in the family, without his being notified of the accusation levelled at him.

Hon. Mr. McMEANS: I may explain to honourable gentlemen that it would be a very serious thing to have to serve petitions on all the different persons who are charged. Some petitions allege half a dozen different offences, and if it were necessary to serve the petition on all the co-respondents the procedure would be made very expensive. The probabilities are that all the co-respondents could not be found. They might have left the country or disappeared. I do not see how you could compel the applicant to serve the petition upon every individual who is charged with being a party to the case. It is merely a matter of producing witnesses.

Hon. Mr. CASGRAIN: The lawyer who had prepared the petition naming those people ought to know that he would have to charge them. So if he failed it would weaken his case.

Hon. Mr. McMEANS: Oh, no.

Hon. Mr. WILLOUGHBY: If the rest of the Committee concur in my personal view, I shall be prepared to suggest at next Session an amendment to the rule at least in this respect, providing for service on co-respondents. That service might not have to be personal in every case. Personal service is often extremely difficult in matters of this kind, as the parties sometimes disappear. In such cases we might provide, pursuant to the ordinary court practice, for substitutional service, by publication, or by service on some other person—

Hon. Mr. CASGRAIN: Service at the last known address.

Hon. Mr. WILLOUGHBY: —someone who will bring the matter to the knowledge of the person concerned, just as in a civil action Provision might be made that if the person could not be found notice should be sent by registered mail to the last known address. However, I will not enter into details now; it will be time enough to do that when we suggest an amendment to the rule.

Hon. Mr. BELCOURT: Will my honourable friend tell us if he agrees with the honourable member from Winnipeg (Hon. Mr. McMeans), that a certain number of them only should be served—that if there were half a dozen co-respondents you would not serve them all?

Hon. Mr. WILLOUGHBY: In answer to that I would say that it is only a question as to what would be the mode of service.

Hon. Mr. BELCOURT: But my honourable friend who spoke last (Hon. Mr. McMeans) does not want service to be made if the number exceeds say three or four. I do not see how any of them could be left out.

Hon. Mr. WILLOUGHBY: My honourable friend was dealing only with the difficulty of service, but as to the propriety of

serving every one by some method, there is no doubt that if one should be served all should be served, whatever the method may be.

Hon. Mr. BELCOURT: That is all I wanted to know.

The motion was agreed to.

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

THE SENATE

Wednesday, May 26, 1926.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill M5, an Act for the relief of Samuel Wexler.—Hon. W. B. Ross.

Bill N5, an Act for the relief of Samuel Lehman Stouffer.—Hon. Mr. Willoughby.

Bill O5, an Act for the relief of Robert Douglas Ian McLeod.—Hon. Mr. Schaffner.

Bill P5, an Act for the relief of Mary Margaret McColgan Vinnette Graydon.—Hon. Mr. Schaffner.

Bill Q5, an Act for the relief of Alexander Charles Boyd.—Hon. Mr. Schaffner.

Bill R5, an Act for the relief of Charles Day.—Hon. Mr. Schaffner.

Bill S5, an Act for the relief of Albert Wilson Denning.—Hon. Mr. Schaffner.

Bill T5, an Act for the relief of Margaret Lambert.—Hon. Mr. Schaffner.

Bill U5, an Act for the relief of Jessie Patterson.—Hon. Mr. Schaffner.

Bill V5, an Act for the relief of Ernest Ashton.—Hon. Mr. Schaffner.

Bill W5, an Act for the relief of Evelyn Christine Stewart.—Hon. Mr. Schaffner.

Bill X5, an Act for the relief of Ernest Love.—Hon. Mr. Schaffner.

Bill Y5, an Act for the relief of Charles Stanley Reed Riches.—Hon. Mr. Lewis.

Bill Z5, an Act for the relief of Mona Aileen Davies.—Hon. Mr. Lewis.

Bill A6, an Act for the relief of Elizabeth Wright.—Hon. Mr. Pardee.

PRIVATE BILLS

FIRST READINGS

Bill 11, an Act to incorporate the President of the Lethbridge Stake.—Hon. Mr. Buchanan.

Bill 13, an Act respecting a patent owned by the John E. Russell Company.—Hon. Mr. Belcourt.

Bill 92, an Act respecting the Grand Orange Lodge of British America.—Hon. Mr. Robertson.

DELAY OF LEGISLATION

On the Orders of the Day:

Hon. Mr. POPE: Honourable gentlemen, before the Orders of the Day are called, and with the permission of the House, I would like to remind honourable gentlemen of the fact that this Session began about the 7th of January and has been prolonged until the present time, when, I surmise, we are approaching the last thirty days of the Session. In the Speech from the Throne there was much made of certain measures which would come before this House for consideration, and which we should have an opportunity of considering deliberately and carefully. We are all aware of the criticism that has been levelled against this honourable body by certain portions of the public press, some political organizations, and others who choose to criticize. We are essentially a revising body—to revise legislation coming from the other Chamber—and it is unfair that important measures should be so long delayed that when they reach us we either have to pass them with all their imperfections, without having an opportunity of giving them due consideration, or to refuse to pass them altogether. When we refuse to pass legislation we are said to be political in character. So far as I am concerned, my politics are well known, but I do not permit them to unduly influence my actions in this Chamber in reference to public measures. A public measure is for the welfare of the public and should receive the benefit of the best attention and judgment that we are able to give it.

We hear that Bills are coming along slowly—rural credits, the revision of valuation of soldiers' lands, the Grain Act, the Alberta Resources Bill, and so on—and I would ask the honourable members of the Cabinet in this House, if they expect this House to give consideration to those measures, to exercise their influence with the Government of the day in order that we may have a fair opportunity of discussing and considering these measures, and of securing in committee the information necessary to enable us to give an intelligent vote upon these important questions.

I am not saying that this situation is the fault of one political party more than another, for this sort of dilly-dallying and delaying this Chamber is an old, old story, and has

been going on for years. When we are made the subject of unkindly criticism in various parts of the country I think that we should raise our voices against being treated with contempt, and we should demand sufficient opportunity and time to properly consider all measures.

Hon. Mr. DANDURAND: I desire to inform my honourable friend that when we are faced with a situation such as my honourable friend mentions, the lateness of legislation that is presented to us, we have two alternatives. We can take our own time to discuss such legislation, and if necessary sit here for ten or eleven months, as has been done in some Sessions, for I remember that the Session of 1903 opened in November, and closed in October of the following year. We can do that, or we can quietly postpone till the following Session the study of those measures which reach us too late. I commend those alternatives to my honourable friend, so that when it comes to discussing such measures we may choose either one of them.

Hon. Mr. REID: Honourable gentlemen, I was going to suggest that perhaps it would help matters a little if the honourable leader would take up with the Government the question whether some of the measures referred to could not be introduced in the Senate first, and then go to the other House. I am aware that all Governments have hesitated to allow measures to originate in this Chamber, but I think that some of this important legislation could well originate here. Such a method would afford some relief in the present situation.

Hon. Mr. DANDURAND: I would remind those honourable gentlemen who have the privilege of travelling through Europe at the beginning of the Session that when they return they should read Hansard, because this very question has been discussed twice this Session.

Hon. Mr. REID: I would like to inform the honourable leader of the Government that he was in Europe when I was there, though he did not return on the same steamer. However, I read of the adjournment of the Senate until some time in May. I always kept my eye on the date to which this House was adjourned, and I would have been here some time ago if there had been even a possible chance of one Government measure being introduced.

DIVORCE BILLS

THIRD READINGS

Bill F4, an Act for the relief of Mabel Ellen Barrett.—Hon. Mr. Gordon.

Bill G4, an Act for the relief of Mabel Victoria Westerby.—Hon. Mr. White (Pembroke).

Bill H4, an Act for the relief of Morgan Hart.—Hon. Mr. Mulholland.

Bill I4, an Act for the relief of James Arthur Breadon.—Hon. Mr. Ross (Middleton).

Bill J4, an Act for the relief of Marjorie Esther Splan.—Hon. Mr. Ross (Middleton)

Bill K4, an Act for the relief of Gladys Orme.—Hon. Mr. Ross (Middleton).

Bill L4, an Act for the relief of John Andrew Reid.—Hon. Mr. Schaffner.

Bill N4, an Act for the relief of William Thomas Charlton Spence.—Hon. Mr. Schaffner.

Bill O4, an Act for the relief of Gladys Lucie White.—Hon. Mr. Schaffner.

Bill P4, an Act for the relief of Robert Stewart McIntyre.—Hon. Mr. Schaffner.

Bill Q4, an Act for the relief of Goldie Luella Russell.—Hon. Mr. Schaffner.

Bill R4, an Act for the relief of Arthur Atkinson.—Hon. Mr. Haydon.

Bill S4, an Act for the relief of Lillian Edith Hudgin.—Hon. Mr. Haydon.

Bill T4, an Act for the relief of Mary Booth.—Hon. Mr. Haydon.

Bill U4, an Act for the relief of Bernard Ernest Sleeth.—Hon. Mr. Haydon.

Bill V4, an Act for the relief of Elsie Fray. —Hon. Mr. Haydon.

Bill W4, an Act for the relief of Cecilia Marrie Peters Kendall.—Hon. Mr. Haydon.

Bill X4, an Act for the relief of Elias Malky.—Hon. Mr. Haydon.

Bill Y4, an Act for the relief of Ethel Beatrice Walker.—Hon. Mr. Haydon.

Bill Z4, an Act for the relief of George Elgie Dulyea.—Hon. Mr. Haydon.

Bill A5, an Act for the relief of John Wilson.—Hon. Mr. Haydon.

Bill B5, an Act for the relief of John Sydney Wright.—Hon. Mr. Haydon.

Bill C5, an Act for the relief of Alice Victoria McGibbon.—Hon. Mr. Haydon.

Bill D5, an Act for the relief of Lillie Torrence Cascadden.—Hon. Mr. Haydon.

Bill E5, an Act for the relief of James Thomas Young.—Hon. Mr. Haydon.

Bill F5, an Act for the relief of Copland William Evans.—Hon. Mr. Haydon.

Bill G5, an Act for the relief of Arthur John Harman.—Hon. Mr. Haydon.

Bill I5, an Act for the relief of Annie Rebecca Herbert.—Hon. Mr. Smith.

Bill J5, an Act for the relief of David Joseph Potter.—Hon. Mr. Pope.

Bill K5, an Act for the relief of Walter Harold Bingley.—Hon. Mr. Pope.

Bill L5, an Act for the relief of Ethel Harriett Little.—Hon. Mr. Robertson.

ORGANIZATION OF SENATE STAFF

CONCURRENCE IN REPORT OF COMMITTEE AS AMENDED

On the Order:

Consideration of the fourth report of the Standing Committee on Internal Economy and Contingent Accounts.—Hon. Mr. Daniel.

Hon. J. W. DANIEL: Honourable gentlemen, when I introduced this report of the Committee on Internal Economy and Contingent Accounts a few days ago the honourable the Government leader in this Chamber took objection to having the report considered at that time, and he voiced his objection partly in these words:

I cannot understand why, in the reorganization which is before us, the position of Second Assistant Clerk at the Table is not dropped, for I have been under the impression that we would not appoint a third officer at the Table. It is somewhat dangerous to maintain a vacancy, because temptations may arise. That is the reason why I ask that the report be not taken now.

That I consider to be an entirely reasonable objection, and I think it is one that probably all of us would have had if the intention of the report were to have a new Assistant Clerk placed at the Table. That is where the misapprehension arose. There is nothing at all in the position of Second Assistant Clerk that gives the holder of it a place at the Table of the Senate. The late Mr. Lelièvre, when he was appointed Second Assistant Clerk of the Senate, was given a seat at the Table because there was then no one at the Table who was familiar with both the English and the French languages. Mr. Lelièvre was familiar with both English and French and was able to give the assistance required at the Table. The report of the Committee, in recommending the appointment of a gentleman to the position of Second Assistant Clerk of the Senate, did not at all contemplate that gentleman taking a seat at the Table. It was the intention to have him continue the work that he is now doing.

Hon. Mr. CASGRAIN: What is that work, please?

Hon. Mr. DANIEL: Translation of French Debates. If the honourable gentleman has been in the habit of reading his own speeches he will know how satisfactorily the work of translation has been done. Personally I do not see those debates and am not in a position to judge, but those who do read and use them tell me that the work is very well done. I may say in this connection that before Mr. Potvin was given this work to do under a contract which pays him $4,000 a year, the work was performed by two officials at an annual cost of $5,000. Therefore, not only has his work been done much more satisfactorily, but it has cost $1,000 a year less.

The difficulty which the honourable leader of the Government experienced with regard to that position, and which I have no doubt all who were not acquainted with the facts in the matter also had, would be satisfactorily adjusted, if the Senate is agreeable, by slightly altering the wording of the report, so that the description of position No. 4, instead of being put down as "Second Assistant Clerk," would have added to it, "and Editor and Chief Translator of French Debates." That would specify entirely the work that he would have to do, and there would be nothing in it to indicate or suggest any likelihood of his being requested to occupy a seat at the table. So I intend, before moving concurrence, to ask the permission of the Senate to add those words to the description of position No. 4.

This new plan will not create any additional expense on the Senate or the country. We all know that in the work to be done in connection with this House the Clerk of the Senate is now and always has been very economically inclined, so far as economy is consistent with efficiency. I have taken the trouble to calculate how much the old plan cost; and in arriving at the amount I have of course added the sum of $4,000 per annum which was paid to Mr. Potvin for the work of translating the Debates into French, because, although he was not a member of the organized staff, still he was doing staff work. The total was $80,280. In the new organization there are two positions put down which it is not the intention of the Clerk to fill at the present time. They are included merely in order to give him the power to have the appointments made in case of emergency.

Hon. Mr. POIRIER: What are they?

Hon. Mr. DANIEL: A third Parliamentary Reporter and a second Confidential Messenger.

Hon. Mr. CASGRAIN: What does "Confidential Messenger" mean?

Hon. Mr. DANIEL: I shall have to ask the honourable gentleman to refer back to the time before I became a member of the Senate, for that was the title given to him then. The honourable gentleman was a member before I entered this House, and he would

have a better opportunity of knowing. I do not know of any reason why the employee in question should be called a Confidential Messenger; all messengers ought to be confidential; but that is the way it is put down in the classifications of both the Senate and the House of Commons. He may be a little higher up than the ordinary messenger.

The cost under the new organization will be $75,740 as against $80,280, so there can be no possible objection on that ground. In other respects, certainly so far as the Committee is concerned, they were very glad indeed to have an opportunity of recognizing the meritorious work of Mr. Potvin, and considered that he would be a valuable addition to the staff of the Senate. I would therefore ask permission to add the following words to position No. 4: "Editor and Chief Translator of French Debates." That will make the situation clear, and will remove any misapprehension or ambiguity as to the position of this new official.

Hon. Mr. POIRIER: Honourable gentlemen, the correction that has been made is to my mind an appropriate one, but we should remember that the appointments of officials of the Senate are made by the Civil Service Commissioners.

Hon. Mr. DANIEL: Not these.

Hon. Mr. POIRIER: They have relinquished their rights so far as the officials who sit at the Table are concerned, but as has been said, Mr. Potvin will not sit at the table, therefore we will be encroaching upon the rights and privileges of the Civil Service Commission.

I have no objection whatsoever to the appointment of Mr. Potvin. I think he is a good translator. I will not go to the extent that my friend to the right has gone in saying that the translation now is much better than it was before. I have read both translations, and both are good, and in my opinion the translators previously employed could translate at least as well as Mr. Potvin.

As against the economy of $1,000, there is the fact that we have practically no more French translation of our Senate Debates. Last Session there was not one speech printed for the use of Senators. The Committee on Debates and Reporting, to which I belong, was asked by one honourable Senator for the translation of his speech, and he was told—he did not say by whom—that he could get it upon paying for it. That is altogether unsatisfactory. Last Session there was not one page of the French translation of the Debates issued, and although we have been in session two or three months this year, so far not one page has appeared.

Hon. Mr. DANIEL: Have you made any speeches?

Hon. Mr. POIRIER: What is the use of expending $4,000 if there is no result from it?

Hon. Mr. CASGRAIN: Hear, hear. We never got it.

Hon. Mr. POIRIER: I have nothing but sympathy for Mr. Potvin, but I would like to see the privileges of the Senate maintained. If we have a French translation we should have it not one or two years after the speech is delivered, but before it becomes stale. I am as much in favour as anybody of maintaining the rights and privileges of the French language in the land, but if it is to be simply a matter of show, and there is to be no bottom to it, I will agree to the abolition of a translation of which we have no knowledge and from which we get no use or benefit.

I see that there is attached to the position the title of editor. I did not know that this gentleman any more than other translators was an editor. Why the title editor? The translators of our laws are not the editors of our laws: they are simply translators. Why the title editor? If the translator were the editor, that would make him responsible for what I have said to you about the non-appearance of the Debates last year. I do not put the blame for that on his shoulders; I think he did all he could to have the translation printed. Not being able to do anything in the matter we had one of the most influential members of our Committee—I think he is in the Chamber, I will not name him—go to see about it, and his failure was as absolute as my own. He could get no satisfactory answer. Therefore we have practically no French translation of our Debates.

I may also say that I think that the Committee that looks after the translation of the Debates has been treated somewhat cavalierly in this matter. If anybody knows what we need, it is the Committee on the Debates, and they should have been consulted, and that has not been done.

I notice also that the position of the Sergeant-at-Arms is to be abolished. To an old timer, and I happen to be one of them, this is regrettable. This position is abolished, I suppose, on the assumption that we are all inoffensive, and that no danger can possibly arise from the ire of any of us. That may be a mistake, honourable gentlemen. I remember several occasions, one especially, when but for the intervention of the Sergeant-at-Arms there might have been serious happenings in the Senate. I refer to the time when a fight was threatening between Mr.

Ross and Mr. Millar, when one of them was called a toothless old serpent. If it had not been for the interference of the Sergeant-at-Arms and the display of his sword, we do not know what might have happened.

Hon. Mr. DANIEL: Is that the time there was a reference to a toothless old viper?

Hon. Mr. POIRIER: Yes, that is the word that was used.

I think it is regrettable that the office of Sergeant-at-Arms should be abolished—not that the Mace Bearer does not do the work very gracefully; he is an ornament to the job; but we are abolishing what exists in the House of Lords, of which we are supposed to be a reflection. Since titles are formed for purposes, I would rather have the gentleman who carries the Mace called the Sergeant-at-Arms, and have that ornamental position retained in the Senate.

Hon. Mr. McMEANS: The Senate is going to be abolished anyway.

Hon. Mr. POIRIER: Among other things I notice that the Chief Translator is put away down on the list. Mr. De Montigny is a very capable gentleman, and one of the cleverest employees of the House.

Hon. Mr. DANIEL: He is in the same position he occupied before.

Hon. Mr. POIRIER: His position is one which carries respect, and I am sorry to see it placed so far down on the list. However, I have no serious objection to the report except the one which I have already raised, that we have no practical or useful translation of the Debates of this House.

Hon. Mr. DANDURAND: Honourable gentlemen, when this report first came to the Senate I thought there was to be but one report. I had been informed the day before by the Clerk of the House that it was his intention simply to lay down a scheme of organization outlining the functions of officials, but not giving names or salaries, because that would be tantamount to classification, a matter which is under the jurisdiction of the Civil Service Commission. Of course, that was as far as the Clerk could go. But apparently the Committee that met next day went further, and, being uninformed as to that development, I thought it proper to express a doubt as to the propriety of maintaining a second Clerk Assistant under the scheme of organization.

During the last quarter of a century I have been following the work of the Senate, and its budget, and I have found that our Clerks

of the Senate have been very conscientious in their efforts to reduce expenditure, and I think our expenditure, compared with that of the other House or any other department, stands in a very good light. I felt that our good work in this connection would be somewhat affected in the public eye by the fact that we had three officials at the Table when the Commons had but two. I have often heard Commoners remarking that although we have so little to do compared with the other House, yet we have three officials at the Table and they have only two. Therefore I rose to express the opinion that there should be only two officials at the Table, in order to remove any appearance of laxity or too great liberality in the appointment of our staff, as I felt that we might be open to unjust criticism in that regard. The Chairman of the Internal Economy Committee afterwards brought forward a second report of which I was totally unaware at the time, and after the explanation that he has given I am quite agreeable to the report.

In answer to my honourable friend from Shediac (Hon. Mr. Poirier), who claims that the positions released by the Civil Service Commission are those of the officials at the Table, I may say that I think he is under a misconception. The release does not cover the officers at the Table, but the Clerk, and the first and second Assistant Clerks. These names are given, but it is not added that they are at the table. As a matter of fact the two need not be at the Table, and even before the report was adopted the Clerk could have exercised his own discretion as to calling one or two clerks to the table to assist him. This report makes it quite clear that the Clerk may assign duties to the Second Clerk Assistant which may not necessarily involve attending the sittings of the House.

As to the propriety of appointing an officer who will have charge of the translation of our Debates, this question has been discussed for at least 25 years. I have consistently favored the appointment of such an officer, and I suggested this same idea to the Clerk of the House some time ago, so that I am fully in accord with the report. I may add that I was informed that the amount allowed to the party who had the contract for translation was not sufficient, and the amount that he is allowed under this report is about what he received as contractor; yet I must candidly say I expect that towards the end of the Session he will at times need temporary help, in order to maintain his work from day to day. Part of the amount which he received under contract went for needed help, and I

expect that he will require an additional sum, which may be granted out of the Contingent Accounts of the Senate.

The amendment of Hon. Mr. Daniel was agreed to.

Hon. Mr. DANIEL moved concurrence in the report as amended.

Hon. Mr. DANDURAND: There is one remark I should like to add. I have had some representations occasionally in this case, as in others, concerning the list which appears in this scheme of organization. Some members of the staff have been under the impression that the numbering of these positions indicated the order of precedence. There is nothing in that representation. The numbers, as they come down, do not really indicate the true position of the officers of the Senate towards each other.

Hon. Mr. TURRIFF: Might I ask the Chairman of the Committee if concurrence in this report means that the appointments suggested can be made now by the Clerk of the Senate without any further action?

Hon. Mr. DANDURAND: There is only one appointment.

Hon. Mr. TURRIFF: I would like to point out that at a meeting of the Internal Economy Committee some weeks ago, which was fully attended, where the Assistant Clerk was appointed, it was generally understood that no second Clerk would be appointed. I listened to the remarks of my honourable friend from Shediac (Hon. Mr. Poirier) and also those of the mover of this resolution (Hon. Mr. Daniel), and it seems to me now that this is an opportunity—

Hon. Mr. DANIEL: Would the honourable gentleman allow me a moment? I think if he will wait till the next report is brought in he will see that the appointment with the name of Second Assistant Clerk does not interfere with his views as to what ought to take place in keeping the Table as it is now, with only two Clerks there.

Hon. Mr. TURRIFF: Well, I have only a word or two to say. If we make another appointment it may not mean anything just now, but it will mean increased expense to the Senate before we are through with the matter, thought it may be some years hence. The work of the Senate is being done very satisfactorily at present, and I see no reason whatever for increasing the staff. The individual with whom it is now proposed to deal draws a liberal allowance, and I have no objection to that; but here is an opportunity to practise a little economy such as my honourable friends have mentioned. I think the internal economy of the Senate is being carried on well, but if it is satisfactory why should we go on making appointments that are not necessary to the efficient working of the Senate? I am against concurring in what may lead to additional expense in future, even if it does not involve extra expense now, and I think it would be better to let well enough alone.

Hon. Mr. REID: I would like to ask a question in connection with the wording of this report, which says:

The Committee recommend that the present plan of Organization of the Senate be cancelled, and the following substituted therefor.

I should like to ask one of the lawyers present whether the adoption of this report with the word "cancelled" would automatically cancel all the official positions and involve reappointments. I would suggest that instead of the word "cancelled" some other word should be used, such as "changed."

Hon. Mr. DANDURAND: I would think that this is one and the same action; the cancellation is done at the same time as the new scheme of organization is created, so that there is simply a substitution of one organization for the other.

Hon. Mr. REID: But you are cancelling your whole organization, and substituting a new organization for the one that existed. When you cancel the old organization do you not cancel all the old positions with it? If so, the officials should be reappointed to the new organization. I am not objecting to the change, but I am raising that question.

The motion of Hon. Mr. Daniel was agreed to.

SECOND CLERK ASSISTANT

CONCURRENCE IN REPORT OF COMMITTEE AS AMENDED

On the Order:

Consideration of the fifth report of the Standing Committee on Internal Economy and Contingent Accounts.

Hon. Mr. DANIEL: Honourable gentlemen, the change in the wording of the fourth report necessitates a small change in this one, so as to make them agree. I would therefore move that the report be amended by striking out, in the third and fourth lines thereof, the words:

Second Clerk Assistant, to perform such duties

and substituting the following:

Second Clerk Assistant, Editor and Chief Translator of French Debates, and to do such other work as may be assigned to him by the Clerk of the Senate.

I would move that amendment.

Hon. Mr. POIRIER: Honourable gentlemen, I must repeat that the word "Editor" has a strange ring, because the translators are not editors, and I do not see why that word was inserted. As for being Chief Translator of the Debates, the appointee would certainly be the Chief Translator, for he seems to be the sole translator.

The amendment of Hon. Mr. Daniel was agreed to.

Hon. Mr. DANIEL moved the report as amended be concurred in.

The motion was agreed to.

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

THE SENATE

Thursday, May 27, 1926.

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

Prayers and routine proceedings.

SOLDIER SETTLEMENT BILL

FIRST READING

Bill 17, an Act to amend the Soldier Settlement Act, 1919.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: Honourable gentlemen, this Bill was the occasion of considerable debate and division of opinion as to the form it should be finally given. From the echoes that had reached me I was under the impression that it was a very much involved Bill. I have examined it carefully and find that it has been whipped into shape in such a way that it will probably meet with very little opposition as to the form. I will ask that we take the second reading on Tuesday next.

It was ordered, that the Bill be placed on the Order Paper for second reading on Tuesday, June 1.

FEDERAL APPEAL BOARD

MOTION FOR RETURN

Hon. Mr. TAYLOR moved:

That a humble Address be presented to His Excellency the Governor General, praying that His Excellency will cause to be laid before this House a return showing copy of all rules and regulations made by the Governor in Council respecting the sittings, practices and procedure of the Federal Appeal Board.

The motion was agreed to.

PRIVATE BILL

REQUEST FOR SUSPENSION OF RULES

On the Orders of the Day:

Hon. L. McMEANS: I crave the indulgence of the Senate to ask that Bill 92, which is on the Order Paper for second reading to-morrow, be given second reading to-day. The circumstances are rather unusual. The Bill is one to regulate some insurance matters in connection with the Grand Lodge of Orangemen They have to give some twenty days' notice to all their policy holders, and as that will have to be done within a very short time, and this honourable body is not sitting continuously, but is meeting only two or three days a week while awaiting legislation from the House of Commons, the Grand Lodge will be placed in a very difficult position with regard to this matter unless the Bill can be given second reading to-morrow and posted, so that it may be referred to Committee by next Wednesday at the latest. The Bill has passed the House of Commons without any objection. It deals only with cash surrender values of policies and matters of that sort. Under these special circumstances I would ask that the Senate be good enough to allow this Bill to be read a second time to-day.

The Hon. the SPEAKER: I understood the honourable gentleman to say that he wanted the second reading to-morrow.

Hon. Mr. McMEANS: No. The Bill is on the Order Paper for to-morrow. I want the second reading to-day. The honourable gentleman who has charge of the Bill, the honourable Senator from Welland (Hon. Mr. Robertson), has been away for some time.

Hon. Mr. BEIQUE: They will not attain their object in that way, because the Bill would still have to be sanctioned.

Hon. Mr. McMEANS: I am informed by the gentlemen who have the matter in charge that if the Bill gets second reading and passes the Committee they will be satisfied to send out the usual notices.

Hon. Mr. DANDURAND: Would the honourable gentleman state whether those notices of which he speaks refer to the passing of the Bill or have any effect upon the procedure of the Senate?

Hon. Mr. McMEANS: Not the slightest. Under their by-laws and regulations the Grand Lodge are required to send notices out to the different policy holders twenty days previous to the meeting of the Grand Lodge, so that any objections to be made can be considered. The Grand Lodge have been called to meet

on a certain day, and it is now very close to the twenty-day period; so if they could get the Bill referred to Committee and the Committee would pass it, as it passed the House of Commons, they would send out their notices at once.

Hon. Mr. DANIEL: It relates simply to the principle of insurance?

Hon. Mr. McMEANS: Yes. It has the usual clauses. There is no objection to the Bill in any way. It has passed the House of Commons without a dissenting vote.

Hon. Mr. DANDURAND: There is no objection except that which arises from our rules. There is a very exact procedure that must be followed in order to advance a Bill from a fixed date to an earlier one. I think there is a certain motion that must be made; and even if we went through that procedure it would be necessary, in view of the fact that the Bill is down for second reading tomorrow, to have it understood that the Senate would not be committed to the principle of the Bill, which might be discussed at the third reading. Some member of the Senate might claim that he intended raising a point, or challenging the second reading, on the date for which it was fixed.

Hon. Mr. McMEANS: Certainly, that would be understood.

The Hon. the SPEAKER: I understood the honourable gentleman (Hon. Mr. McMeans) to say that he did not propose that the Bill should go before the Committee until, say, next Wednesday.

Hon. Mr. McMEANS: I understood that the House would likely adjourn this afternoon until next Tuesday, and it is necessary to have the Bill posted.

The Hon. the SPEAKER: Then I would point out to the honourable gentleman that he could perhaps attain the same object if he would leave the Bill as it stands, to come up for second reading on Tuesday, and then move for the suspension of the rules with regard to the further stages of the Bill. It would come before the Banking and Commerce Committee on Wednesday, and the honourable gentleman's object would be attained.

Hon. Mr. McMEANS: I understood the Bill had to be posted some days in advance.

Hon. Mr. DANDURAND: The effect would be far-reaching and the precedent might be dangerous. I would suggest to my honourable friend that we take the second reading on Tuesday next and then suspend the rules in order to allow the Bill to go to the Committee the next day.

Hon. Mr. McMEANS: All right.

INQUIRY FOR RETURNS

Hon. Mr. WILLOUGHBY: I would like to ask the honourable leader of the Government if he has been able to obtain the returns for which I moved on the 11th instant?

Hon. Mr. DANDURAND: If the honourable gentleman will give me a memorandum I shall have inquiry made after the House rises.

Hon. Mr. WILLOUGHBY: I shall be very happy to do that.

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

THE SENATE

Tuesday, June 1, 1926.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill B6, an Act for the relief of Samuel Paveling.—Hon. Mr. Greene.

Bill C6, an Act for the relief of John Jones.—Hon. Mr. Lewis.

Bill D6, an Act for the relief of Benjamin Rapp.—Hon. Mr. Lewis.

Bill E6, an Act for the relief of Bernard Thomas Graham.—Hon. Mr. Lewis.

Bill F6, an Act for the relief of Robert Edward Greig.—Hon. Mr. Lewis.

Bill H6, an Act for the relief of Daisie Hawkey.—Hon. Mr. Schaffner.

Bill I6, an Act for the relief of Annie Sophia Gordonsmith.—Hon. Mr. Schaffner.

PRIVATE BILLS

FIRST READINGS

Bill G6, an Act respecting certain patents of James McCutcheon Coleman.—Hon. Mr. Lewis.

Bill 93, an Act to incorporate the Canadian Dexter P. Cooper Company.—Hon. Mr. Robinson.

OLD AGE PENSIONS BILL

FIRST READING

Bill 21, an Act respecting Old Age Pensions.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: Honourable gentlemen, as there is very little on the Order Paper for to-morrow, I would ask leave to move for the suspension of the rule which governs the second reading of Bills, so that this may be put down for second reading to-morrow.

The motion was agreed to.

CANADA'S REPRESENTATION AT WASHINGTON

INQUIRY

Hon. Mr. MACDONELL inquired of the Government:

1. Is it the intention of this Government to appoint a so-called Ambassador, or Minister Plenipotentiary, to the United States of America?
2. If so, when?
3. If so, what will be the annual cost to the taxpayers of this Dominion, in salaries, allowances, rentals, etc., in connection with such Embassy?
4. Has the Government any information as to any possibility of the United States appointing an Ambassador to Canada?
5. Has there been any correspondence exchanged between this Government and the Imperial Authorities with regard to representation at Washington?

Hon. Mr. DANDURAND:

1. It is intended to appoint a Minister Plenipotentiary.
2. This question is under consideration.
3. Provision is included in the estimates.
4. No.
5. No.

PRIVATE BILL

THIRD READING

Bill Y3, an Act respecting Dominion Electric Protection Company.—Hon. G. G. Foster.

SOLDIER SETTLEMENT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 17, an Act to amend the Soldier Settlement Act, 1919.

He said: I would ask leave for Major Barnett to come to the floor.

Honourable gentlemen are aware of the policy which was sanctioned by Parliament for the settling on the land of as many soldiers as possible after the war ended. A board called the Soldier Settlement Board was constituted and given special authority for the placing of those men. The returned soldiers were allowed to select their land wherever they preferred, from the Atlantic to the Pacific, and could apply to the Board for an advance of capital for its purchase. Of course, the Board held the title to the land until it was paid for. They could advance as much as $5,000 to a returned soldier, who could select a farm exceeding this price provided he paid the difference himself. Under the Act money could be advanced also for live stock and equipment.

Under this legislation $105,000,000 has been advanced to 25,000 soldiers, 17,000 of whom purchased lands through the Board. They were supposed to pay 10 per cent of the purchase price, but some discretion was allowed to the Board, and quite often, it appears, the Board paid the whole 100 per cent.

Unfortunately for the country, those lands were purchased mainly not only when land prices were high, but when crops brought good prices and there was quite a boom in the country. As the years rolled by it soon became apparent that some of the soldiers were heavily involved and quite a number left the land in despair. Both inside and outside of Parliament there has been a constant agitation for a revaluation of these lands, and the Government brings forward this Bill, which is an enabling Bill, to create some kind of an arbitral tribunal, composed of a county judge, a representative of the Soldier Settlement Board, and a representative of the soldiers themselves who are making claims before that Board. The soldier will have to file a claim for a rebate, stating the price he paid for his land and the reasons actuating him in submitting his claim. The individual soldier may ask for an individual representative, but it is hoped that in each district the soldiers asking for a rebate will get together and select one representative on the Board. The protection which the country will have in the formation of that tribunal will be the presence on it of the representative of the Soldier Settlement Board who will probably be selected from the district where the tribunal is sitting. He will have a full knowledge of the conditions prevailing in that district, having been in touch with the soldiers through the daily collection of their dues, and will know why some are successful and why some are not. I believe the Bill will commend itself to this House.

It is fortunate for the country that the Government did not move earlier in this matter. If it had done so two years ago, when prices were so low and crops had been such a failure throughout the greater part of the West, there would have been many more claims than there are to-day. We have since had two good crops, and I hope Providence will bless us with another good one this year, so that when these tribunals start

functioning a number of the soldiers who have fallen behind in their payments will begin to feel that after all they did not make such a bad bargain.

The amount involved is quite large. There are some 11,000 soldiers who could appear before the Board to ask for a revaluation of their lands. How many of that number will feel like doing so it is impossible to say; but I may inform honourable gentlemen that in Southern Alberta a questionnaire was sent out to the soldiers who were borrowers from the Government, and some 40 per cent of them answered that they were satisfied with the amount they had paid and as to the possibility of meeting their obligations. If they answered in that manner during last winter, I hope that the position of quite a large number of them has gradually changed for the better, even in the large area which suffered through drought and lost three or four consecutive crops.

Hon. Mr. DANIEL: What proportion of the soldiers who got land under those circumstances made good?

Hon. Mr. DANDURAND: I am informed that of the soldiers who went on the land some 75 per cent are still on the land.

The question has been asked: why go to the rescue of that class of debtors? In the rough and tumble of life, in all vocations and callings, some people fare well and others do not. Why make that distinction? The answer, I believe, is a very simple one. First, the men are returned soldiers, and we have decided to do the best the country can do for them. The second reason is that the Government is the creditor and is interested in protecting its mortgage. The soldier may get discouraged and leave, and then the Government will have the land on its hands and will have to dispose of it, and certainly will not be able to dispose of it at better than the existing market value. If there is a real disproportion between the price paid for the land and the existing market value, there should be an effort made to retain on the land the soldier who, though still fighting an uphill battle, has shown a desire to remain on it. It seems to me that we are interested in retaining on the land those soldiers who have made the effort and have passed through the lean years, and that there should be a revaluation, rather than that they should be allowed to face the necessity of advertising and selling the property to the public.

Under this Act those who have left their farms have the preference over all others of re-entry if there is a revaluation and they think they can make good. Those who have paid in full are outside of the benefits of the Act.

I think that I have fairly covered the ground. I do not know whether honourable gentlemen have all read the Bill, the principal provision of which is to be found in the first section.

Hon. Mr. TURRIFF: Honourable gentlemen, the Leader of the House has told us that of those who took land under the Soldier Settlement and went on it, 75 per cent still remain on the land. I would like to know if he can give us the percentage of returned soldiers who took advantage of the land settlement scheme went on the land.

Hon. Mr. DANDURAND: Does the honourable gentleman mean what proportion of the total number of enlisted soldiers or returned soldiers—

Hon. Mr. TURRIFF: I would like to know the total number of returned soldiers who took advantage of the land settlement scheme who went on the land. My honourable friend has said that of those that did go on the land 75 per cent have remained.

Hon. Mr. DANDURAND: 25,000 went on the land. I said that 17,000 had been advanced money for the purchase of their farms, and 8,000 obtained advances under some other head—live stock or equipment or buildings.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, I have no brief specially to represent the soldiers, and I have no doubt that there are others who especially desire to speak on their behalf, and who, by virtue of their connection with them, have a right to do so; but as a western member I have been written to repeatedly and spoken to innumberable times asking me to aid the Government with this legislation. I think that on the whole this is a very generous provision.

May I say that a couple of years ago I had the honour of being one of the Empire Parliamentary Delegation who went to South Africa, and with one or two others I returned via Australia and New Zealand, where I had an opportunity of discussing on the spot what they were doing for the soldiers. I have a memorandum made at the time, and find that they followed a course very similar to our own and with very similar results. The desire there, as in Canada, was to re-establish the soldier on the land so far as possible, when he could not get back to his old occupation. In New Zealand, as here, the prices for small holdings, orchards, houses, and all kinds of things, were inflated. In this country our lands are particularly grain-growing lands. New Zealand has been obliged to make a

revaluation of lands, and has not stopped doing so yet. There they appropriated nearly $100,000,000, out of which $85,000,000 has been expended for the re-establishment of a comparatively small number. There were about 22,000 who were eligible for re-establishment under the scheme, but perhaps not a third of that number—I would say not a half—actually took advantage of it.

Being a Westerner, and I think reasonably familiar with agricultural values in the Western Provinces, I know that conditions in Canada were unfortunately most unfavourable for the acquisition of lands by anybody. We were going through a time of inflation. Live stock depreciated after that, in some cases more than 50 per cent, and, as many men familiar with the West know, became practically of no value. The least valuable breeds represented virtually no re-sale value to the purchaser. We know of cases where cattle shipped to the Winnipeg market were sold at prices that left the shipper actually in debt. The same conditions affected agricultural land in Saskatchewan, where values depreciated from the peak prices at the end of the war perhaps one-third. I know one district in Saskatchewan, with which I am more particularly familiar, where private vendors or company vendors were obligated to make readjustment to purchasers in order to hold them, and in many cases those readjustments represented even one-half of the sale price, after taking into consideration accumulated interest, taxes, etc. The same remark is true all over Saskatchewan, and also Alberta, and to a lesser degree in Manitoba.

The adjustment proposed by this Bill, therefore, is not a whit more than property owners in the West, either companies or private individuals, have been obligated to make for the purpose of keeping their purchasers on the lands. I know that it is peculiarly appropriate for those who have the right to speak for soldiers to deal with this Bill in greater detail.

We have dealt with the soldier very generously. In 1922 we placed all his indebtedness together in a funding operation, and gave him a remission of interest for four, three and two years respectively, I think it was, from that date. But even that did not solve the problem. It did something, but it did not re-establish the old prices.

It may be said by many members in this House who are not familiar with western conditions that those lands were improvidently bought. I can speak of districts where I know some of the officers who had to do with the valuation of land. The purchaser himself, the soldier, picked out his parcel; then there was a Board constituted for the purpose of valuing that land and seeing if it was worth what the soldier was ready to give. At the city of Regina one of the most competent managers of a loan company was on that Board. Similar Boards were established all over Western Canada, I believe. So that the soldier had the benefit not only of what little knowledge of land value he possessed—and those men were largely farmers or farmers' sons who were returning—but the benefit of the advice of the Soldier Settlement Board officers. He had the whole staff to assist him in selecting and appraising the value of those lands.

The present measure is due simply to deflation in the value of lands in Western Canada. Even in the Western States there is a condition such as that with which we are dealing. Lands in the Middle West have deflated from the peak of prices to the extent of from 25 to 35 per cent, and I am advised by competent authority that in some cases there has been a decline of 40 per cent. So that we are doing a good stroke of business in trying to retain our soldier settlers on the land, so far as it is possible. It is not even an act of charity. It is not charity at all from a business point of view to keep men on land if they can never pay for it, because their defaults would only continue and increase.

I for one have very great pleasure in supporting this Bill.

Hon. Mr. GRIESBACH: Honourable gentlemen, there is a feature of this Bill to which I would like to draw the attention of the House. The Soldier Settlement Board was organized in 1919 to deal exclusively with the settlement of soldiers on the land. The Government has decided during the past two years that this policy had about worked itself out, and that the time for stabilization and liquidation had come. Meantime the Government has turned the Soldier Settlement Board into a settlement organization, and after five or six years of useful but I may say costly experience the Government now proposes to place upon the land settlers who were brought here under other schemes. The Government hopes, and the Board undoubtedly must hope, that the lands which have fallen or are about to fall or which may fall into the hands of the Government, may be disposed of to those incoming settlers, and in some cases the Board has dealt with them in that way.

But this situation involves one of the strongest arguments with reference to this Bill, and may detract somewhat from the apparent generosity of the Government.

Under the Soldier Settlement Act the Board has no power to reduce the indebtedness of a soldier settler. He has an obligation to pay a certain sum of money, and under the law he must pay that amount. But this peculiar situation arises, that a soldier settler, after having struggled for a number of years with a piece of land out of which he cannot make the return necessary to pay his obligation, throws up his land and abandons it; then the Board, though it was not able to reduce his obligation, is at liberty to turn around and sell to an incoming settler the same land at the market price, whatever it may be though it will be fairly obvious to every one that the soldier who has been on the land would probably make the better settler. My honourable friend has referred to the obligation which the country is under to the ex-service men, and justice would seem to suggest that the Board should be clothed now, and will be clothed by this Bill, with the power to reduce the price to the soldier instead of to the incoming settler. That is the gist of this Bill, that the Board which in the past was precluded from reducing the price to the soldier is now in a position to do so, or practically to re-sell, to him at the market price, instead of putting him off the land and selling it at a reduced price to an incoming settler who has no claim at all on the generosity of this country.

Hon. Mr. GILLIS: I have just a few words to say on this Bill. The provision for the soldiers is very gratifying. I question, however, whether it is going to be as far-reaching as we hope it may be. It is true that a great deal of land was bought by the soldiers at inflated prices, outrageously high; yet in some instances land was bought at very reasonable figures. For example, in the district from which I come there are two parts of a reserve which were bought by the Government, and placed at the disposal of the soldiers, and this land was purchased very reasonably, so that I question if any Board will find it possible to reduce the price of that land.

However, there are a great many soldiers who are struggling along, finding great difficulty in making ends meet. Some of them are threatening to leave, and some have actually left the land, not because of the particularly high price of the land, which was bought at the low prices to which I have referred; but a good deal of the trouble arises from the inflated prices at which the equipment, implements, horses, lumber, etc., were bought a few years ago, so that they have not been able to make their payments from year to year.

Many of those settlers have organized themselves, and last winter they held several meetings, and proposed that instead of the reduction that is anticipated under this Bill the Government should reduce the interest, or wipe it out entirely. That is a scheme that would apply generally to all settlers from one end of the country to the other. I do not think the Government is very anxious to make money out of the returned soldier, and the idea of those settlers who organized was that if interest on the land and equipment was wiped off or considerably reduced, they would be able to carry on and meet their obligations from time to time.

As I have said, I do not think this provision is going to satisfy the large majority of the settlers. To a few of those who bought land at inflated prices there will be a reduction, but generally speaking I think it will be found that the Bill will not be so generous to the average settler as it is meant to be.

However, something of this nature is better than nothing at all, and for that reason I am going to support this Bill.

Hon. Mr. SCHAFFNER: Honourable gentlemen, I have very few remarks to make, and perhaps some of them may be considered criticism that should have been made a long time ago. I certainly intend to support the second reading of this Bill; but, coming from the West, and having had some considerable experience with the land that was purchased for the returned soldier, not only in my own province but especially in Northern Alberta, I wish to say that certainly enough care was not taken in placing the soldiers on the land.

If that criticism applied only to a few farms, perhaps it should not be made; but I personally know one municipality in Northern Alberta in which at least half a dozen soldiers were placed on land on which it would be absolutely impossible for them to make good, whether they were soldiers or very experienced farmers; for no man could make a living on that land. A considerable number of farms of that description have come under my observation.

I would have been glad if the Leader of the Government in this House had given us fuller and more extended information as to the condition of those soldiers who have been placed on the land. Perhaps that was not possible, but to me there is not much information in the statement that 75 per cent of the soldiers who were placed on the land are still there. There may be 75 per cent still on the land, but I am absolutely positive that not nearly that proportion have paid the amount due the Government up to this time.

There is no doubt that their land was sold at prices that were too high. I understood the Leader of the Government to say to-night that $5,000 would be advanced to soldiers in the buying of land, and then he said that a certain sum in addition would be given for the buying of implements and stock, but he did not state how much. I gather it was about $2,000. That would leave a soldier with a debt of about $7,000, and many of them are inexperienced in farming.

Now, from my experience in the West, I would say, without fear of contradiction, that there is no one who wants to be more generous to the returned soldiers than I would like to be; but I think that generosity should apply not only to soldiers, but to others. It is possible to be too generous, and generous in a way that does the recipients a great deal of harm. I am confident that very few men in the West could be placed on a quarter-section of land, which was the usual amount that was purchased, with a debt of $7,000, and who, even though there were good times with fairly good prices and crops, would be able to make their purchase a success.

I think there was not sufficient care taken in that respect. That is the principal criticism that I have to make—the lack of care taken when the land was purchased. I know of a number of soldiers who got money for implements and stock, and who did not stay very long on the land, but left both farm and implements, and the Government could do nothing but sacrifice both implements and stock.

We have plenty of time to consider this measure, and I think the Government should have given a pretty clear description, not of how many soldiers have made good, but how many have left the land altogether—who simply got up and walked off the land and left the stock and implements that had to be sold by the Government. The Government should tell us how much is owing by those who are still on the land.

I agree with all that has been said in favour of re-valuation. There is no man in the West to-day who sold land privately at the time that these soldiers were settled on the land who has not had to make a readjustment. I would not go so far as some, and say that the reduction amounted to 50 per cent, but they certainly have had to readjust, and I think the Government has taken a proper step in introducing this measure.

Hon. Mr. DANDURAND: I think I can give my honourable friend the information he wants. I am informed that of the 17,000 I mentioned who have borrowed money for the purchase of farms, 10,000 are not in arrear.

Hon. Mr. McLENNAN: Can the honourable gentleman tell us the result of the properties that were abandoned and sold? I understand there was a considerable loss.

Hon. Mr. DANDURAND: 2,400 farms out of 6,600 have been re-sold, at an increased price of $200,000.

Hon. Mr. McLENNAN: That is, there was no loss on those farms

Hon. Mr. DANDURAND: There was no loss on the purchase price of the farms, but there was on the stock and machinery.

Hon. Mr. McLENNAN: There is a point I would like to mention in reference to this Bill, though not as it is drafted. It seems to me that on the principle of equity it does not go far enough. The soldier who has paid in full, by successful farming, economy and thrift, or the man who wished to be as it were independent, without this obligation to the Government hanging over him and who got money elsewhere, has in my opinion a greater claim than the man who has fallen behind. The man who has fallen behind, so long as he has persevered at all, is the one who is considered favourably. The man who has absolutely made good, directly or indirectly, seems to me to have a greater claim, which is ignored in the Bill. However, the failure to recognize it may be only temporary, because with his greater claim he will come back with a very strong case for consideration, particularly when the men who have been less successful and less resourceful have received whatever advantage may come to them through this Bill.

Hon. Mr. WILLOUGHBY: May I suggest something to the honourable leader of the Government? I have this evening been placed in possession of a copy of Sessional Paper No. 169 of the House of Commons, a return to an order of the House of Commons made on March 15, 1922, in which there are a series of nineteen questions dealing with soldier settlement, and answers to them; also information from the Department of Indian Affairs. I think it would be very illuminating to have that on our records.

Hon. Mr. DANDURAND: Will the honourable gentleman send it over?

Hon. Mr. WILLOUGHBY: I shall be happy to do so.

Hon. Mr. DANIEL: Can the honourable Minister state whether, in those cases where default has been made, the fault is due to the character of the farm, or to the farmer, or to both?

Hon. Mr. DANDURAND: To both causes.

Hon. Mr. BEAUBIEN: Do I understand from the honourable gentleman that out of 17,000 soldiers who have taken advantage of this deed there are 11,000 who can now claim a reduction of values, as they are still in debt?

Hon. Mr. DANDURAND: No. I have just stated that there are 11,000 soldiers who have not paid in full, but of the total number there are 10,000 that are not at present in arrears. That covers those who have bought farms as well as those who have been advanced money for the purchase of live stock or for permanent improvements.

Hon. Mr. BEAUBIEN: I understand by reading this Act that all soldiers come under it who have not terminated their contracts with the Government—that is to say, those who have still a certain amount to repay to the Government and whose lands have decreased in value are entitled by this amendment to claim a reduction in value of their holdings. Am I right?

Hon. Mr. DANDURAND: Yes, they can come before the Board, but there discussion takes place. A case must be made out as between the claimant and the Settlement Board.

Hon. Mr. BEAUBIEN: The door is open to the man who suffers prejudice—

Hon. Mr. DANDURAND: Who thinks he has suffered prejudice.

Hon. Mr. BEAUBIEN: The door is open to the man who suffers prejudice; for he has to establish it and therefore the prejudice must exist; and the only qualification that he requires is the fact that he has not completed his contract with the Government. Now you are going to have two classes of people in the West. All who came under this Act originally were of course treated alike. The Government looked upon every one of them as a returned soldier and wanted to help him. But now you will have the two classes. There will be those who have done their very best and lived up to the contract: there is no help for them. If their land has decreased 50 per cent they can expect no help at all from this Bill.

Hon. Mr. BELAND: I think my honourable friend is mistaken. They do not benefit if they have paid in full, but if they have not carried out the whole of their contract it is always open to them to make application for revaluation of their land, whether they have lived up to their obligations up to the present time or not.

Hon. Mr. BEAUBIEN: I did not make myself quite clear. I certainly meant that the soldiers who have fulfilled their contracts entirely have absolutely nothing to expect in the way of relief from the fall in value of their land.

Hon. Mr. BELAND: The honourable Senator is right.

Hon. Mr. BEAUBIEN: But side by side with these people we may have a great many stragglers, who are not at all as deserving as those who have completed their contracts, and those stragglers will be invited to come in and will receive all the relief that this Bill can give. In my judgment this Act is absolutely unjust. If it is true that the men who came in under the Soldier Settlement Scheme have the right to get their lands revalued, surely the man who has paid ought to stand on the same footing as the man who has not paid.

Hon. Mr. DANDURAND: I would like to draw my honourable friend's attention to this situation. The one who has paid his indebtedness in full has shown that he did prosper under the arrangement; he earned not only his living, but sufficient to wipe out the whole capital debt.

Hon. Mr. McLENNAN: But he may have got money from other sources.

Hon. Mr. BEAUBIEN: I do not think that follows at all. A man may have had a few thousand dollars of his own, and part of the amount may have been obtained by his arduous labour on the land. He may have put in whatever he had as a patrimony. That man has nothing to hope for.

Hon. Mr. DANDURAND: I may inform my honourable friend that there are 900 in that class—who have paid in full.

Hon. Mr. BEAUBIEN: I understood my honourable friend a moment ago to tell me that there were 11,000 soldiers who might avail themselves of this amendment. There were 17,000 who came under this scheme originally. Surely, therefore, there are 6,000 to whom the advantages of this Bill are not available.

Hon. Mr. DANDURAND: I have told the honourable gentleman that 900 have paid in full, but others have failed and have abandoned their farms, and others have died. You say there are 11,000 who are in a position to come under this Act.

Hon. Mr. BEAUBIEN: I suppose we could make the thing much clearer by saying that this Act applies to practically all soldiers settled under the Act except 900. Is that correct?

Hon. Mr. BELAND: That is right.

Hon. Mr. BEAUBIEN: I would like to have that made clear.

Hon. Mr. BELAND: Unless they have abandoned their land.

Hon. Mr. BEAUBIEN: No, no.

Hon. Mr. DANDURAND: Every soldier who is at present on the land and who owes something to the Government.

Hon. Mr. BEAUBIEN: Then, will the honourable gentleman put that in figures, so that we may understand better? To how many soldiers is the relief extended by this amendment now available?

Hon. Mr. TAYLOR: Honourable gentlemen, it seems to me that one of the last remarks of the honourable gentleman representing the Government exposed the real weakness of this Bill, the weakness anticipated by the soldier settlers generally, which is that under the administration of these provisions the man who has tried to live up to his contract, who has got assistance outside, and who has developed his land to the very greatest extent, will be penalized because his thrift and industry and enterprize have produced a condition which is apt to lead the Board to say, "This man has no fault to find—see how well he has done with his holdings." On the other hand, the less thrifty man, who has long ago been discouraged, and has done comparatively little towards making good on his enterprize, will have the advantage of the apparently large depreciation of his holding.

When we look at the figures shown by the return to which the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby) has referred, we see that the movement from the land has not been at all checked of recent years, but on the other hand is growing with the years. The abandonment of farms started in 1919, with only 39. The settlers were full of hope then and resolute to stay on. It increased in succeeding years in this way:

1920— 992 farms abandoned
1921—1,212 farms abandoned.
1922— 836 farms abandoned.
1923—1,096 farms abandoned.
1924—1,213 farms abandoned.
1925—1,271 farms abandoned.

Hon. Mr. BELCOURT: A total of how much?

Hon. Mr. TAYLOR: A total of abandonments of 6,659; against which there is a present liability in arrear of $21,096,000—an average of over $3,000 to the bad for each one of these 6,600 ex-soldiers who have abandoned their farms.

Now, it is all very well for us to say that we have not lost anything on the abandonment of these properties. It is quite true that the Board have been able to sell those that have been sold—about one-third of the number—for slightly more than the money owing on them. That compensates the Federal Treasury. But how about the soldier, the man whom we set out to help at the very beginning? That man has lost all the money he put in, and has lost in addition up to seven or eight years of his time. That loss makes a very big hole indeed in the possibility of re-establishment of any soldier who served in the Great War. It seems to me this Bill falls very short of our duty to these soldiers, in that it makes no provision at all for recompensing those who have been compelled to abandon their farms by the conditions which we now deem are too onerous for the soldiers. They have a grievance just the same as that expressed by the honourable gentleman who has referred to the case of the soldiers who have paid in full. I do not see how any Government can justify what is said to the man who has borrowed money and paid his debt in full, when he sees his neighbour being excused for anything up to perhaps 50 per cent of his indebtedness. When he sees his neighbour becoming a beneficiary of reductions like that, he is calmly told, "We have no compassion for you, because you have paid us, even though you have borrowed the money and owe it in some other direction."

It seems to me that one should study the statistics referred to in the return mentioned by the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby) in order to obtain real enlightenment on the precarious position of these soldier settlers. The total number of soldier settlers at present in arrear is 11,329, according to this return.

Hon. Mr. SCHAFFNER: What is the date?

Hon. Mr. TAYLOR: Up to the 31st of December, 1925. The total amount of arrears at that date was $2,269,000. This number of 11,329 in arrear contrasts with the number paid in full, a pitiful total of only 826.

Hon. Mr. DANDURAND: That is up to the 31st of December last, I think.

Hon. Mr. TAYLOR: Yes, up to the 31st of December. That is the date of this return. Eleven thousand in arrears; eight hundred paid in full—and we bring forward this Bill as the remedy for the situation.

My experience of the administration of the Acts of this Parliament by boards is that they are nearly always subject to the regulation of restrictive Orders in Council. Parliament passes an Act intended to be generous; the Government comes along in a week or two with an Order in Council taking the teeth out of the Act making it so narrow in its application as to take away a great part of the generosity intended by Parliament. It seems to me that we should scan very carefully the provisions of this Act, and not only as to the technical requirements of some of the sections. For instance, the failure to deal with the case of a man who got land at the beginning at an entirely fictitious price, as many of them did, should be carefully considered. There are cases to my knowledge in which land was sold at prices which were regarded by the public as ridiculous. Those men have no relief, because they must show depreciation in value between the time of purchase and the present time. It is sufficient for the Board to show or to argue that there has been no depreciation in value; that the soldier was simply charged too high a price at the beginning, and that the land was never worth it, and if that be done the soldier has no relief under the Act. No doubt these details can be better attended to in Committee than on the second reading, and for that reason I have not gone into them at length.

Hon. Mr. McMEANS: I think the statement was made that these lands that had been taken over had been sold for a larger sum than they cost. I also want to ascertain whether the question of taxation was taken into consideration. These abandoned lands are a menace to the municipalities both in the province of Manitoba and in the province of Saskatchewan. I know there must be a very large number of abandoned farms in certain districts. Up to the time of the purchase of these lands the municipalities relied upon them for taxation, but when they were abandoned the taxes would not be paid, and I take it the municipalities have to bear the loss.

Hon. Mr. DANDURAND: The taxes were paid for the length of time the soldier was on the land.

Hon. Mr. McMEANS: Did the government pay them right up to the time the soldier abandoned it?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. McMEANS: I am very glad to hear about that.

Hon. Mr. BELAND: There is no payment of taxes after the land is abandoned.

Hon. Mr. TAYLOR: There is no payment of taxes when the soldier is on the land if the title is in the Government.

Hon. Mr. DANDURAND: I am informed that the taxes are paid while the soldiers are on the land.

Hon. Mr. TAYLOR: It is an open sore in the district of New Westminster that the soldiers do not pay taxes and the municipality will not build roads. And this Government advanced the munificent sum of $500 to build roads.

Hon. Mr. BELCOURT: As I understand it, the only serious objection which has been made to the purpose of this bill is that it will not mete out even justice to everyone who took land under the Soldier Settlement scheme. Notwithstanding the possibility that lands were overvalued, a certain number have succeeded in making all their payments, and some hon. gentlemen think that such men ought to have an opportunity of coming in and making a claim under this bill. As against that, have we not the presumption that they have no grievance? That is established by the fact that they have succeeded and prospered, from which I think we can infer that the land was not overvalued.

Hon. Mr. GRIESBACH: Does by honourable friend not think it would be only human nature for the individual who has succeeded to say that he has succeeded because of his own efforts, not because of the quality of the land?

Hon. Mr. BELCOURT: Because he has succeeded, I presume he has no grievance at all. He could not make out a case of buying land at too high a price.

Hon. Mr. GRIESBACH: That will not deprive him of his grievance.

Hon. Mr. GORDON: If my honourable friend will give the matter a little thought, I think he will see that his argument falls to the ground. Suppose, in place of these men having been put on the land, you turned them into grocers down here—one on one corner and the other on another. In the course of a few years one of those men will be prosperous and the other will fail.

Hon. Mr. BELCOURT: That does not convince me.

Hon. Mr. GORDON: One man is thrifty and attends to business and is on the job from morning until night. He makes a success every time; the other man does not. The same thing may apply to those soldier settlers. Two men may be placed on land side by side, and one will make a success and the other will not. It may even happen under prohibition that one is a great boozer and the other is not. Many things may enter into the matter, and I feel that even if only one hundred, instead of nine hundred, have paid up fully, they should be repaid in the same proportion as the others. To do otherwise would be penalizing the thrifty.

Hon. Mr. WILLOUGHBY: They are always penalized.

Hon. Mr. BELCOURT: In dealing with this Bill, we are not striving to guess as to the cause which prevented one man succeeding when it did not prevent the other, except—and the whole Bill is predicated upon that—that he paid too much for the land.

Hon. Mr. McMEANS: Does the honourable gentleman find that the number of abandonments has been greater in some districts than in others? From my knowledge, settlers have been put where the land is impossible.

Hon. Mr. BELCOURT: May I give a partial answer to that? There is a settlement on the National Transcontinental at Kapuskasing, where three or four hundred soldiers were placed on the land. They got very considerable advances at different times and remained on the land eighteen months or two years altogether. All those soldiers abandoned the land, because, they said, they could not succeed. Almost immediately those farms were taken up by settlers who got no advances of any sort, and they made a great success of them.

Hon. Mr. McMEANS: That does not answer the question.

Hon. Mr. DANDURAND: I will answer the question that has been put. Undoubtedly there has been a greater abandonment in certain districts because the land was poorer than in others. My honourable friends have neglected to take into consideration the fact which I stated, that in Southern Alberta 40 per cent of the soldiers now on the land have answered that they were satisfied with the price paid. Sixty per cent were not. This year they may be. The Board will have to consider why some applicants have not been as successful as their neighbours. I draw attention to the clause which says:

> Where there has been a decrease or depreciation in the market value of such land, not the result of neglect or mismanagement on the part of the settler, to make provision for the revaluation of the said land.

This is not a Bill to reimburse people who have bought a piece of land and paid for it: it is an effort to retain them on the land.

Hon. Mr. McMEANS: If there were a provision that you could take these men off bad land and put them on good land I would be glad to see it. I know of cases in Manitoba where they were settled on land from which they could not make a living; you could not put it on the market and get fifty cents an acre for it.

Hon. Mr. DANDURAND: In that region most of the land was Dominion land and was given to the settlers. Money was advanced to them later on for improvements or live stock.

Hon. Mr. TURRIFF: There is one point I am not clear on. I thought I understood the Leader of the Government to say that of the 25,000 returned soldiers who had taken advantage of the Soldier Settlement scheme 10,000 were now on the land and were not in arrear in their payments.

Hon. Mr. DANDURAND: That is the information I have.

Hon. Mr. TURRIFF: That information is not much good in that shape: it may mean something or it may mean nothing. Have those 10,000 settlers paid up the money they agreed to pay when they took the land, or have they been given extensions of time covering time that has gone past? In order to have any complete understanding of what we are dealing with I think information should be given as to what number of that 10,000 have made payments on their land, and what amount they have paid, and what number of the 10,000 have not made any payments on the land whatever. I am strongly in accord with my honourable friend from Boissevain (Hon. Mr. Schaffner). If you advance a man $4,000 or $5,000 or $6,000 or $7,000 on a quarter or half-section, I do not believe he can make good with that load on his back. I lived for many years in that country and have seen many settlers, and good settlers, get one or two thousand dollars which they were not able to pay interest upon. How could a man with a load of from $5,000 to $7,000 make good? The scheme was wrong in the first place: it was bound to fail from the very start. To my mind we ought to go very thoroughly into this and find out exactly where we are, and try to produce a Bill that would be of some advantage to the soldier settler, and that

would save the country as much as possible of the loss that is bound to be made. We are not going to make any loss now; we have made it. You cannot get away from that. There have been a few farms sold at more than was paid for them. I think the figures given were some $21,000,000—

Hon. Mr. BELAND: 2,400 sold at a profit.

Hon. Mr. TURRIFF: And some $21,000,000 of liabilities is piled up on the remaining thousands of farms that have been abandoned. The choice ones have been sold to some advantage, but we must not run away with the idea that we are going to be able to sell the balance to advantage. That is absurd. No loan company can do that. So, in dealing with this whole question we want to have a thorough knowledge of it and to do the best that is possible under the circumstances. There are some cases in which the soldier settlers do not deserve any consideration at all. I have heard of a man who said: "I do not care what I pay for the land; I am going to get a big advance for machinery and stock, and I will make some money anyway." That man is not deserving of consideration, and as far as possible no consideration should be given him in the way of spending more money on him. He went into the business in the wrong way and could not possibly make good. What we want to do is to make a Bill that will help those who are going to try to make good on the land they have.

Hon. Mr. DANDURAND: My honourable friend seems to be very pessimistic as to the possibility of a man earning a living with $5,000 or $6,000 of a mortgage on his farm. I am informed that out of the last crop a Saskatchewan farmer on a quarter section made enough to wipe out his debt of $6,300 to the Department.

Hon. Mr. TURRIFF: Usually a miracle takes place.

Hon. Mr. BEIQUE: This discussion is academic, because this Bill had to be preceded by a resolution, and the resolution had to be authorized by the Governor General. On referring to the debate in the House of Commons, when the resolution was presented on the 18th of March, I find that the resolution was exactly on the ground covered by the Bill. Therefore this House could not amend the Bill even if it were of opinion that relief should be granted to those who have completely settled their claims. This House could not increase the amount.

Hon. Mr. CALDER: Most of this discussion, I suppose, should really take place in Committee of the Whole. I do not intend to carry on the discussion now, but there is one point that I would like to have made perfectly clear, and that is the number of soldiers who have paid their indebtedness in full. That expression has been used a good deal during the debate. The honourable gentleman from New Westminster (Hon. Mr. Taylor) referred to a statement brought before the House by the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby) in which it is said that 824 soldiers had paid their debts in full. Does that mean that the amount they owe to date in full, or the entire indebtedness?

Hon. Mr. BEIQUE: The entire indebtedness.

Hon. Mr. DANDURAND: Some 900 have paid their indebtedness entirely at this date.

Hon. Mr. CALDER: The honourable member for Assiniboia (Hon. Mr. Turriff) has just stated that there are some 10,000 who have paid their debts to date in full.

Hon. Mr. TURRIFF: No, I think the honourable gentleman misunderstood me. I said I understood that there were 10,000 who were not in arrear, and I was asking whether they were not in arrear because of having paid all that was due or because of an extension of time.

Hon. Mr. CALDER: I do not think there has been any extension of time under the law. If it is true that 10,000 have paid their entire indebtedness due to date in full, and some 900 have paid their entire indebtedness in full, then some 10,000 are in arrear.

Hon. Mr. DANDURAND: About 7,000 are in arrear.

Hon. Mr. McMEANS: Badly in arrear.

Hon. Mr. DANDURAND: Some of them.

Hon. Mr. ROBERTSON: My honourable friend said that of the 6,600 odd abandoned farms some 2,400 had been re-sold. Can he inform the House as to who the purchasers were?

Hon. Mr. DANDURAND: Generally they were local people.

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

CONSIDERED IN COMMITTEE—PROGRESS REPORTED

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

Hon. Mr. Robinson in the Chair.

On section 1—revaluation of lands sold to settlers:

Hon. Mr. TURRIFF: We have not had an opportunity of going fully into this Bill, and I think it should be postponed for a day or two until we know something about it.

Hon. Mr. DANDURAND: Well, if my honourable friend will allow me, I will read the Bill, which I think is in very clear English. If anyone has any doubt as to the meaning of any clause I will give the explanation. As I said last week, I thought the Bill was somewhat involved, but there had been a discussion on it elsewhere that lasted for three or four days, more particularly on the constitution or the District Arbitration Board, whether it should be composed of one judge only, or a committee of three parties. There was no party discussion: everyone gave his opinion freely as to the formation of that Board.

Now we have the scheme before us, and it will be for the Senate, if it prefers, to have the alternative of one judge only. I think that if we go on clause by clause my honourable friends will find that it is a very reasonable Bill, which enables a Board, under certain conditons, to revalue the land of the soldier who has gone behind.

Now I will read the first section:

1. The Soldier Settlement Act, 1919, chapter seventy-one of the statutes of 1919 (first session) as amended by chapter nineteen of the statutes of 1920, and by chapter forty-six of the statutes of 1922 and by chapter fifty-three of the statutes of 1925, is further amended by adding thereto the following section:—

68. (1) Notwithstanding anything in this Act the Board is hereby empowered upon the application of a settler who has agreed to purchase any land from the Board, who has not assigned or transferred his interest in his land, whose agreement with the Board has not been terminated or rescinded and who has not repaid his indebtedness to the Board—

That is, one who is still there on his land, and who has not abandoned the land, and has not terminated his agreement with the Board.

Hon. Mr. BELCOURT: That does not say that the man must be on the land.

Hon. Mr. DANDURAND: It goes on:

—and where there has been a decrease or depreciation in the market value of such land not the result of neglect or mismanagement on the part of the settler, to make provision for the re-valuation of the said land subject to the following conditions:—

Hon Mr. BELCOURT: He may apply even though he has left the land.

Hon. Mr. DANDURAND: Through the last clause, if he has abandoned his contract, if he has vacated the land, he will be given a preference for a re-entry over anyone who applies for that piece of land.

Hon. Mr. BELCOURT: If the Board has not disposed of the land.

Hon. Mr. GRIESBACH: Is it clear that this would apply to the soldier settler only? It has occurred to me that five years hence the Bill might be invoked in aid of a civilian settler who has bought from the Board in this present year.

Hon. Mr. DANDURAND: In the interpretation clause, "settler" means a person who at any time during the war has been therein engaged on active service in a military force.

Hon. Mr. GRIESBACH: I just wanted to make sure of it.

Hon. Mr. McMEANS: Do I understand that the soldier himself has to make the application?

Hon. Mr. DANDURAND: Yes, and my honourable friend will see in a moment what he has to state in his application.

Hon. Mr. McMEANS: But supposing he dies and leaves children or a widow, would not they be in the same position?

Hon. Mr. DANDURAND: The original Act provides for that. The widow or the heir becomes the settler.

Hon. Mr. GILLIS: Would the Board hold the abandoned land, and sell it to other returned men?

Hon. Mr. DANDURAND: The Board disposes of it to anybody.

Hon. Mr. McMEANS: If the application is made to the Board, is there any appeal from that Board, or can the applicant be given a re-hearing?

Hon. Mr. DANDURAND: No, the Act says it will be the final decision.

Hon. Mr. BELAND: See line 44.

Hon. Mr. McMEANS: Sometimes the Board might have evidence of valuation brought up, and it might be contradicted. I do not see why, if the proper evidence is shown, there should not be a re-hearing before the Board.

Hon. Mr. BEIQUE: The honourable gentleman had better wait until we come to that.

Hon. Mr. BEAUBIEN: Can the honourable leader tell us what amount would be involved by the widening of this Bill to include those soldiers who have paid? There are only 900 that have paid, out of 17,000.

Hon. Mr. DANDURAND: I did not exactly catch the question of my honourable

friend. Does he refer to the 900 who have paid in full, and ask what amount it represents? The total amount that they paid would be $4,000,000 or $5,000,000. But I draw the attention of my honourable friend to the fact that there is another class which could claim some compensation because of the treatment given to those soldiers who come under this Act. It is the large class of soldiers who bought land with their own money without borrowing, and who have carried on. Would they not be entitled to as much sympathy, if this were really a charitable act that was being performed by the Government, as these 900 who got the credit of the Government and have discharged their obligation?

Hon. W. B. ROSS: Honourable gentlemen, I think it would be better to go right along with this Bill, because it is quite clear that new section 68, the substantial section, is confined to one class of people. You could not bring in another class without a new message from the Governor General, and we are really wasting time. The business way is to work out section 68.

Hon. Mr. DANDURAND: Undoubtedly, it is impossible for the Senate to increase the charge. I was taking for granted that all Senators knew that, and I suppose they do. but they were criticising the Bill, and I had simply to listen.

Hon. W. B. ROSS: Yes, but if you bring in a new class of people you would have to increase it.

Hon. Mr. DANDURAND: The conditions are as follows:

(a) Application for revaluation shall be submitted to the District Superintendent of the Soldier Settlement Board for the district within which the said land is situate;

This is a question of procedure. Then:

(b) The application shall be supported by a statutory declaration setting out (i) the original purchase price of the land and the value of improvements effected since the establishment of the settler thereon, and (ii) his belief as to present value of the land and his reasons therefor;

(c) The difference or depreciation in value to be determined shall be the diminution, not due to neglect or mismanagement on the part of the settler, in the present market value of the land and the improvements sold to the settler as compared with the price at which the settler agreed to purchase the said land and improvements from the Board. In determining the present market value of the land, improvements made by the settler shall not be included; provided that in any case where the actual sale price is greater than the maximum amount which under section sixteen of this Act may be advanced by the Board in the purchase of land on behalf of any settler, such maximum amount shall be deemed the sale price for the purposes of this section.

All this I wipe out with the words, "where the amount is $5,000," for that is what it means. If a settler has bought a piece of land and has paid more than $5,000, the amount beyond the $5,000 is an amount which he volunteered to pay himself; so, in determining the present market value of the land, where the amount is greater than the maximum, it will not be $7,000, or any such amount which the man has paid, but it will be the $5,000 which was advanced to him.

Hon. Mr. STANFIELD: In Nova Scotia how many farms were sold to soldiers, and how many have been adandoned?

Hon. Mr. CALDER: There is one phrase that bothers me a good deal: that is the expression, "the market value of the land." I am not sure what the situation is at the present time, but a year ago what is ordinarily called the market value of the land was practically nil; there was no market; there was no sale; so that if the law were applied just as it reads, the soldier would practically get his land for nothing. I know that. I own some land; I have tried to sell it for three years, but I could not get a buyer. When you speak of appling the test of the market value of the land in determining what reduction there should be, it may be somewhat dangerous, because for a long time there was no market value; you could not sell land at all. That is the experience of all the companies in the West. They have been hit very hard the last few years in paying taxes, simply because they could not sell: there was no market and there was no sale at all. There is just a possibility that that expression in the Bill may have to be changed in order to safeguard the situation.

Hon. Mr. TANNER: What would the honourable gentleman suggest?

Hon. Mr. CALDER: I do not know; I am just explaining that.

Hon. Mr. DANDURAND: I stated in introducing the Bill that it was fortunate for the country that this Bill had not been brought in two years ago.

Hon. Mr. CALDER: Quite right.

Hon. Mr. DANDURAND: Just because the land value is so low; but I believe there is a considerable recovery, and that the words "market value" now have a meaning. My honourable friend says there was a time when they had no meaning at all; yet I would take for granted that the tribunal would apply the test of the return which can be gathered from the land.

Hon. Mr. CALDER: That is not the market value, though.

Hon. Mr. LAIRD: It is more the intrinsic value than the market value.

Hon. Mr. DANDURAND: Yes, but I think the term "market value" can be extended generally to what the land is worth at 5 per cent.

Hon. Mr. GRIESBACH: Production value?

Hon. Mr. DANDURAND: Production value.

Hon. Mr. CALDER: But that is not market value.

Hon. Mr. TURRIFF: I would say that the market value is what the land would sell for at forced sale.

Hon. Mr. CALDER: Yes, that is the market value. I can give honourable gentlemen three or four concrete cases that I know of. The honourable member from Moose Jaw (Hon. Mr. Willoughby) has referred to the fact that private owners of land have had to reduce their contracts. I know of a case where a contract was reduced from $9,000 to $5,000 in order to keep the farmer on the land. It had not that market value, and there was no market value of the land at $5,000; it was simply a case of keeping the man on the land in order to prevent it from running to waste. We know that all through Saskatchewan, for years past, there has been no market sale and no market value of the land; you could not get buyers; consequently, when you use the phrase "market value of the land," as a test of what should be done, I say it is dangerous. We should try to find some other expression that would meet the situation.

Hon. Mr. BEIQUE: I think the point is well taken, and if the honourable gentleman who has just spoken does not care to make a motion I will move that paragraph (c) be amended by striking out the word "market" in the eighth line of the paragraph.

Hon. Mr. CALDER: And just say "present value of the land." I think that is much wider, and the Arbitration Board can use whatever yard-stick they like in making the value.

Hon. Mr. DANDURAND: I will accept that amendment. We may not take the third reading to-day, and if it is suggested that another form should be brought before the Senate, I will comply.

Hon. Mr. STANFIELD: Have you been able to get that information for me?

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: In Nova Scotia 475 soldiers have settled, and 118 have abandoned the farms.

Hon. Mr. TAYLOR: There is another expression here. This is the paragraph on which the whole section is founded. It reads:

68. (1) . . . and, where there has been a decrease or depreciation in the market value of such land not the result of neglect or mismanagement on the part of the settler,

What I want to know is who is to be the judge as to whether or not there has been neglect or mismanagement?

Hon. Mr. BELAND: The Board.

Hon. Mr. DANDURAND: The Arbitration Committee.

Hon. Mr. TAYLOR: That is the point. The section does not say so.

Hon. Mr. DANDURAND: Yes, if my honourable friend will wait till we reach paragraph (e).

Hon. Mr. TAYLOR: But that is another paragraph, while this is the very initiation of the proceedings. I have had experience.

Hon. Mr. DANDURAND: But my honourable friend will see it is subject to conditions.

Hon. Mr. TAYLOR: Yes, I have had experience with another Act, with this same Government, with another Board of the Government, which warns me of the danger of this paragraph. I fear that if this paragraph is left as it is, we will be met with an Order in Council, probably, saying that no applications are to be considered by the District Court unless they are first passed upon by the Soldier Settlement Board as coming within the cover of those words that I have just read: "the result of neglect or mismanagement on the part of the settler." If the Soldier Settlement Board, sitting at Ottawa here, get the hallucination that there has been neglect or mismanagement, that soldier will find himself completely out of court, while Parliament does not intend that at all. I think we are going on too hastily with this Bill. I am satisfied there is no one in this House who has studied this Bill, and we are too hasty in attempting to put it through to-night in the face of pit-falls such as these.

Hon. Mr. DANDURAND: I think we are benefiting by the exchange that we are having. I think my honourable friend is in error when he is under the impression that the question of the revaluation will be left in any degree with the Board. All this matter will come exclusively under the Committee which is to be appointed under this very clause.

Hon. Mr. TAYLOR: No. That is the intention, but as this Bill reads it is not so provided. That is a defect I am trying to have remedied, that the Bill presents an obstacle to a man even getting his papers on which to make the application. As this first section reads, it is within the power of the Soldier Settlement Board to say: "We believe that your land would have been suitable if you had not neglected it, or if you had been more skilful in management, and we will not submit ourselves to the peril of an appeal on your part."

Hon. Mr. WILLOUGHBY: If it read, "of which the Arbitration Board shall be the judge," that would cover the point.

Hon. Mr. GRIESBACH: I think that if the honourable leader (Hon. Mr. Dandurand) will read that clause carefully, he will see that the contention of the honourable gentleman from New Westminster (Hon. Mr. Taylor) is correct. It says that upon the application of the settler who has purchased land. etc., the Board has certain power. If he satisfies the Board it is authorized to make provision, but there are preceding conditions on which the Board would seem to be the judge.

Hon. W. B. ROSS: Well, is not that right?

Hon. Mr. WILLOUGHBY: You might make an addition after the word "settler," if there is any uncertainty as to power being still left to the Soldier Settlement Board to say that the settler who is actually in default has been guilty of mismanagement or neglect. You could make that read: "the result of neglect or mismanagement on the part of the settler, of which the Arbitration Board shall be the judge." Some authority must be in the judge.

Hon. Mr. CALDER: As a matter of fact, does not the Arbitration Board simply report to the Board, and does not the board then make the decision

Hon. Mr. WILLOUGHBY: I should not think so.

Hon. Mr. CALDER: Under this the Central Board is empowered to do certain things. In order to ascertain whether or not those things should be done, these Arbitration Committees are appointed everywhere throughout the Dominion; they in turn report to the Board, and the Board finally decides as to what action should be taken.

Hon. Mr. GRIESBACH: No; it is the Arbitration Board which decides.

Hon. Mr. WILLOUGHBY: The honourable gentleman from New Westminster (Hon. Mr. Taylor) wants to clarify the fact that it is the Arbitration Committee that makes the valuation. But it also decides whether the man has been neglectful or remiss in his duties, and he wants to make that point clear.

Hon. Mr. TAYLOR: I would suggest that those words be struck out of this subsection 1. That would clarify the situation.

Hon. Mr. BELAND: Which words?

Hon. Mr. TAYLOR: The words, "not the result of neglect or mismanagement on the part of the settler." The idea of the draftsman of the Bill is fully carried out by the provision on the next page where the same words are used. I want to prevent refusal on the part of the Settlement Board to let a settler go before the local Arbitration Board, and as I see it that first paragraph imperils the settler's right to go.

Hon. Mr. DANDURAND: I am informed that this clause in its present form was drafted in order to utilize the full machinery of the Board which is now in existence in preparing the preliminaries and bringing the settler's condition before the Arbitration Committee which is to be appointed. I think that in reading this clause it will be seen that the latter part of it, which my honourable friend (Hon. Mr. Taylor) wants to wipe out, contains a condition which is to be determined solely by the Arbitration tribunal. The Board now has power to revalue the land. One must not run away from the Act. The Act gives power to the Board, but does not authorize it to reduce the liability. Now, the Board may reduce the liability when certain things take place. It will do so when the conditions are fulfilled. A petition is made containing certain representations. A report is forwarded by the tribunal under paragraph (i). Then the Board will act upon that report. Paragraph (i) reads:

> Upon the conclusion of the matter referred to the District Arbitration Committee under this section, the Committee shall forthwith forward a copy of its decision to the Board, and where the decision shows that there has been depreciation as hereinbefore set forth in paragrah (c) in the value of the land and improvements which the Board agreed to sell to a settler, the Board, notwithstanding anything in this Act, shall credit the settler's account as on the standard date in 1925 with the amount of depreciation as determined by the District Arbitration Committee, and upon the settler's account being so credited, the balance then owing by the settler for all purposes shall, at the discretion of the Board, be consolidated and deemed to be the settler's total indebtedness and the total cost of the property may be amortized over the remaining period of the loan.

This is but a preamble explaining what shall be the action of the Board in starting this

inquiry and on receiving the report. Now, I read again section 68:

Notwithstanding anything in this Act, the Board is hereby empowered upon the application of a settler who has agreed to purchase any land from the Board, who has not assigned or transferred his interest in the land,—

The Board is the proper party to determine that because these are facts that are in the books kept by the Board—

—whose agreement with the Board has not been terminated or rescinded and who has not repaid his indebtedness to the Board, and where there has been a decrease or depreciation in the market value of such land not the result of neglect or mismanagement on the part of the settler, to make provision for the revaluation of the said land subject to the following conditions:—

(a) Application for revaluation shall be submitted...

I suggest that it would be unseemly that before the trial takes place the Board should think of rendering a judgment. The whole purpose of the Bill is to allow a Committee, composed as explained later, to determine the settler's claim; and when that has been determined, then the report comes back to the Board. It must not be forgotten that it is the Board that is the creditor. It is the Board that advances the money. The Board is the party most interested, and it sees that the conditions mentioned in what is practically the preamble of the Act are observed. When depreciation is claimed, of course the Board has no authority to stay its hand and say: "You shall not go before that Committee, because we have decided that there has been neglect or mismanagement on your part." I think that question goes to the Committee as a matter of course. What does the Committee inquire into? It inquires into these very questions. Is it in paragraph (c)?

Hon. Mr. BELCOURT: Paragraph (h).

Hon. W. B. ROSS: Line 40.

Hon. Mr. GRIESBACH: We might proceed with the Bill and come back to this clause.

Hon. Mr. DANDURAND (reading):

Upon receipt of an application for revaluation supported as aforesaid, the Board shall refer the same—

My honourable friend will see the effect of lodging of a claim—

—shall refer the same to the District Arbitration Committee who will thereupon fix a convenient time and place for hearing, and upon the hearing of all evidence submitted the Committee shall decide the extent to which depreciation in value has taken place and its decision or that of any two of its members shall be final and conclusive;

So there is no discretion on the part of the Board. Once a claim of depreciation is received, it is the duty of the Board to send it to the proper Arbitration Committee.

Hon. Mr. BEIQUE: Honourable gentlemen, I would again point out that the words "not the result of neglect or mismanagement" are an essential condition of the authorization by the Governor General.

Hon. Mr. TANNER: I want to ask the honourable leader of the Government a question. Who is it that makes the decision in regard to the question whether or not the reduction of market value is or is not the result of neglect or mismanagement on the part of the settler?

Hon. Mr. DANDURAND: The Committee.

Hon. W. B. ROSS: The Board makes that decision.

Hon. Mr. CALDER: The Arbitration Committee.

Hon. Mr. DANDURAND: The Arbitration Board.

Hon. Mr. TANNER: The Arbitration Board? Well, where in the Act is that authority given to the Arbitration Board?

Hon. W. B. ROSS: The Arbitration Board is tied down to one thing.

Hon. Mr. TANNER: That is what I see.

Hon. W. B. ROSS: At line 40 it reads:

Upon the hearing of all evidence submitted the Committee shall decide the extent to which depreciation in value has taken place.

Now, that is what it decides, and nothing else. Prior to the application going to the District Arbitration Committee it goes before the Board, and the Board can decide a great many things.

Hon. Mr. CALDER: The Board can never decide as to whether there has been neglect or not.

Hon. W. B. ROSS: Then you have to reconstruct that Bill.

Hon. Mr. CALDER: That is true.

Hon. Mr. TANNER: There is not one item of authority for that Committee to decide that question.

Hon. W. B. ROSS: It is of the Arbitration Committee that the honourable gentleman is thinking. That is right.

Hon. Mr. BELCOURT: The authority of the Committee is determined by the previous part of the section.

Hon. Mr. BELAND: Paragraph (c).

Hon. Mr. BELCOURT: The investigation must be carried on under the terms which precede, and which determine the kind of inquiry that is to be made.

Hon. Mr. DANDURAND: "How depreciation shall be computed":

The difference or depreciation in value to be determined shall be the diminution, not due to neglect or mismanagement on the part of the settler, in the present market value of the land—

We will say, "in the present value of the land"—

—and the improvements sold to the settler, as compared with the price at which the settler agreed to purchase the said land and improvements from the Board.

Hon. Mr. TANNER: The Board cannot move a step until that question is settled, because the wording of the section, as my honourable friend read it, precludes them from moving until then.

Hon. Mr. TAYLOR: As I see it, the difficulty comes in the concluding portion of the Bill, paragraph (j):

The Board may, with the approval of the Governor in Council, make such regulations as may be necessary for the execution of the purposes of this section;

Hon. Mr. BELCOURT: That is procedure.

Hon. W. B. ROSS: Yes. That cannot change the substance of law.

Hon. Mr. TAYLOR: Suppose it is procedure, I have a right to discuss procedure if the honourable gentleman will allow me. I am making a point that is very important to many thousands of soldiers. and I am making it seriously. It gives the Board power to make regulations for the execution of the purposes of this section That means that the Board may at the very outset say: "The conduct of the settler is something with which we alone are familiar: we have been dealing with him during the whole of his period on the land." The Board may say that the burden of proof shall be placed upon the settler to show that depreciation is not the result of neglect or mismanagement. "Neglect" is plain enough. but what does "mismanagement" mean? The Board may say that the man might have treated his farm very differently; see how So-and-so treated similar land." Well, all farmers have not the same degree of ability in treating land, and if the Board arrogates to itself to say whether the farmer has mismanaged his land, and if it may refuse to allow an appeal to the Local Arbitration Board, we shall be faced in connection with this legislation, with the same difficulty that has been the curse of the Pension Board legislation. whereby a Board set up by the Government may simply say, "We think So-and-so, and the burden of proof is on you to show the contrary." The soldier in many cases—cases that are before the Board now—finds it physically impossible for him to furnish the proof. The Board rules him out, saying. "In our opinion the onus of proof is on you." Under this Bill the Board may make regulations declaring that the burden shall be on the settler to show that he has not mismanaged his land. The moment that is done the whole thing becomes another running sore to the thousands of settlers.

As I see it, the matter would be remedied by leaving out those words in the introductory section. I have no objection to their being in the sections whereby the Arbitration Committees are authorized to deal with applications, provided that the Arbitration Committee is allowed to deal with the whole subject, and the vital part of it is not referred to the Soldier Settlement Board.

Hon. Mr. McMEANS: Does not paragraph (h) cover the whole thing? The matter has to go to the Arbitration Board.

Hon. Mr. WILLOUGHBY: I do not think it does.

Hon. W. B. ROSS: It is very narrow

Hon Mr. ROBERTSON: Honourable gentlemen will notice that paragraph (e) leaves it optional with the Department or the Minister whether a District Arbitration Committee is appointed at all or not The Minister may appoint District Arbitration Committees if in his opinion it is necessary. When such a Committee is appointed these questions shall be referred to the Committee, but it is not compulsory that the Committee be established, as I read paragraph (e).

Hon. Mr. WILLOUGHBY: The object of the Government, I take it, is to leave it to the Board of Arbitration. If that is so, then it should be absolutely clear.

Hon. Mr. BELCOURT: Subsection 8 makes it imperative.

Hon. Mr. GRIESBACH: What we do not want to do is to put it in the hands of the Soldier Settlement Board, by merely saying he has mismanaged his land, to put a stopper on any application a man may make.

Hon. Mr. BELCOURT: Oh, no. Some honourable gentlemen may be worried as to who is to bear the onus of proof. But you can only establish mismanagement and neglect by positive evidence. You cannot prove a negative.

Hon. Mr. GRIESBACH: But the matter to go before this Arbitration Committee must be consented to by the Soldier Settlement Board.

Hon. Mr. BELCOURT: No.

Hon. Mr. GRIESBACH: A man must apply to the Soldier Settlement Board for a revaluation, and the matter must then be passed on by the Committee. If the Soldier Settlement Board is empowered by this clause to say, "We will not pass it on because he has mismanaged his land," a grievance is created. It seems to me that what the honourable gentleman from New Westminster (Hon. Mr. Taylor) wants to do is to take it out of the hands of the Soldier Settlement Board and make it a question for the Arbitration Board, because there you have a representative of the Soldier Settlement Board and the representative of the soldier himself. Do not stop a man bringing his appeal because of power given to the Board.

Hon. Mr. BELCOURT: You have to define the remedy or right which this Bill creates. That is what is done by the first part of section 68. Then the detail of the manner of exercising that right is determined. The Act provides under subsection (h) that the moment the application is made the Board shall refer it to this arbitral Committee. In other words, this arbitral Committee cannot possibly deal with the matter except in the manner indicated, and the Board is not in a position to perform its duty until this committee has inquired and made a finding. Then it is up to the Board to apply the decision made by this inquiry Committee.

Hon. W. B. ROSS: I would suggest that my honourable friend let this Bill stand over until to-morrow, and that we go on with the rest of the Order Paper. Perhaps our thoughts will be clearer then.

Hon. Mr. DANDURAND: Although they may be absolutely useless, I have no objection to adding in line 18, after the word "settler," the words, "as determined by the District Arbitration Committee."

Hon. W. B. ROSS: That will not work. That will force you to reconstruct the whole Act, because as it stands now the Board deals with certain things and makes a reference over to the arbitral Committee who are now tied down to one thing, namely fixing the value. If you are going to enlarge that—

Hon. Mr. DANDURAND: I do not claim that I am enlarging that. I believe that under paragraph (c) the arbitral Committee will have to determine that very fact—that there has been a depreciation in value from the amount paid to the present value, not owing to neglect or mismanagement on the part of the settler. I claim this is the mandate given to the arbitral Committee, but I have not had time to look at the whole autonomy of the Act. The Board, as represented by the gentleman at my elbow, has no intention of undermining that feature.

Hon. Mr. TANNER: Was it the intention of the draftsman that that question should be settled by the Arbitration Committee?

Hon. Mr. DANDURAND: It is the Arbitration Committee alone who settle that.

Hon. Mr. BEIQUE: The Board merely registers the decision and settlers the account according to that decision.

Hon. Mr. DANDURAND: I am so convinced that the Bill is properly drafted that I am a little afraid to add anything to it.

Hon. W. B. ROSS: You have got the cart before the horse. The amendment proposed will not work at all. This is a condition precedent.

Hon. Mr. DANDURAND: I do not believe it is necessary, but I am mentioning it in order to make it clear that the Board has no idea of taking over the determination of those facts under this clause.

Hon. W. B. ROSS: It would be easier to insert the amendment in paragraph (h).

Hon. Mr. BELCOURT: You can do it by adding a very few words—"as then defined."

Hon. Mr. DANDURAND: Then, I will move to add in line 42 on page 2 the words "as then defined."

Hon. W. B. ROSS: Then you will have to take those words out of section 68.

Hon. Mr. BELCOURT: Does not my honourable friend think that the Act, when it purports to create a remedy, must define the remedy? The first part of section 68 is to create a new remedy. You must define it fully and completely. What is the remedy? It is a remedy for reparation or compensation.

Hon. W. B. ROSS: The way the matter stands now you have two trials of one question. The Soldier Settlement Board has to go into the facts to ascertain whether or not the man has fallen down through his own neglect or mismanagement.

Hon. Mr. BELCOURT: No, I do not agree with that. The Board does not investigate anything at all. The Act determines what the procedure is, and it says distinctly and emphatically that as soon as the application is received it must be referred.

The Board does not investigate anything at all; it is the instrument or tribunal by which this is done. The Arbitration Committee investigates, and the Board then registers the report of the Arbitration Committee.

Hon. Mr. GRIESBACH: The Soldier Settlement Board would be justified in saying upon receipt of an application for revaluation: "This man never agreed to buy the land from this Board. He has transferred or assigned his interest, and consequently has no claim. This man has terminated his agreement," and so on.

Hon. Mr. BELCOURT: That may be.

Hon. Mr. GRIESBACH: What some gentlemen fear is that the Board may also say that he has not farmed his land properly. I am inclined to agree that in creating this remedy it is important to put all these things in. One cannot imagine that a man could have a complaint if his case was ruled out on the ground of something patent, such as that he had paid up in full, or transferred; but whether he has farmed properly is a matter of opinion, and no man will be satisfied to leave that to the Board.

Hon. Mr. BELAND: I would agree with the honourable Senator in his contention if there was not a clause in the Bill defining very clearly what the duties of the Board are when an application is filed with them. I share the honourable gentleman's opinion that we should not for any consideration leave it with the Board to determine whether a claim from a soldier settler shall be presented or not. But reading the Bill as it comes to us, I do not find anything to authorize the Board to say to a claimant: "You will not go any further than this; you will never appear before the Board of Arbitration." Paragraph (h) says:

Upon receipt of an application for revaluation the Board shall refer the same to the District Arbitration Committee.

Hon. Mr. TAYLOR: You have left out the words "supported as aforesaid."

Hon. Mr. McMEANS: That means by a declaration.

Hon. Mr. BELAND: My interpretation of the Bill before us is that the Board has every opportunity of appearing before the Arbitration Committee. As a matter of fact, one of the members of that Committee will be from the Board. It will be for that gentleman to say what is the opinion of the Board regarding the claim of the applicant. It will be for him to say, "This man has been guilty of neglect or mismanagement or misconduct." He will present his case, but he will present it as a lawyer does before a court, and the fact that he says this man has been guilty of neglect or mismanagement will not carry the decision of the Arbitration Committee. It will be for the majority of the Committee to decide whether that is to be taken as evidence and accepted as decisive.

Perhaps some amendment may be made to this Bill, but, as I read it, it seems to me very clear that every soldier settler has a right to appeal for revaluation, and that the Board may not or cannot preclude that man from appearing before the Board of Arbitration.

Hon. Mr. GILLIS: He would have to appeal through the Soldier Settlement Board?

Hon. Mr. BELAND: No; the Settlement Board cannot preclude this man from appealing.

Hon. Mr. GILLIS: Who decides about neglect or mismanagement?

Hon. Mr. BELAND: The Board of Arbitration alone. The man who represents the Soldier Settlement Board on the Arbitration Board may present the case to the Settlement Board by saying: "This man has been guilty of neglect;" but it will be for the Board of Arbitration to decide as to the weight of this contention. The tribunal described in this Bill is not the Soldier Settlement Board; it is a Board or Committee of Arbitration, composed of a representative of the Soldier Settlement Board, a representative of the soldiers, and the county or district judge. Can we contend for a moment that the Soldier Settlement Board will be empowered to say: "This man cannot appear before the tribunal that has been provided for in this Bill?"

Hon. Mr. TAYLOR: That is precisely what paragraph (h) does say. I am glad the honourable gentleman calls attention to it, because it makes the case infinitely worse than before it was presented. Paragraph (h) says:

Upon receipt of an application for revaluation supported as aforesaid—

Hon. Mr. BELAND: Supported by the affidavit; supported by the declaration.

Hon. Mr. TAYLOR: But wait. Let us examine it:

Upon receipt of an application for revaluation supported as aforesaid—

This is before the Board—the District Arbitration Committee—comes in at all. That Committee has not yet come upon the scene, and that "aforesaid" is the foundation section

of the whole business. Look now at section 68 (1), at line 16:

—where there has been a decrease or depreciation in the market value of such land not the result of neglect or mismanagement on the part of the settler.

Now, paragraph (h) plainly leaves it to the Soldier Settlement Board to say whether or not the application before them is supported as aforesaid, in this subsection 1; and then, if the Soldier Settlement Board thinks it is so, they proceed by the next section to refer it to the District Arbitration Committee. But they do not refer it to that Committee unless they are satisfied that the claim is supported as aforesaid, that is, that it is not due to what they may think is neglect or mismanagement.

Hon. Mr. BELAND: I take it that the support required there is the declaration of the claimant.

Hon. Mr. MURPHY: Yes. Paragraph (b) is the only one in which the word "supported" appears prior to its appearance in the paragraph to which the honourable gentleman has just drawn attention. Speaking subject to correction, that is the support referred to in paragraph (h); otherwise there would be ground for the apprehension that my honourable friend expresses; but obviously it refers to the requirement set out in paragraph (h), which refers to support that must accompany the application.

Hon. Mr. TAYLOR: I understand the foundation of the honourable gentleman's argument, and how it might be argued that it means that.

Hon. Mr. MURPHY: It can be made clear beyond any doubt or controversy if the words were inserted: "supported as defined in paragraph (b)."

Hon. Mr. TAYLOR: Yes, certainly. That would prevent the Soldier Settlement Board from applying all those other sections, which I am apprehensive they may do, under cover of the authority given them in the final section, to make whatever regulations they like. I am glad the honourable gentleman has called attention to paragraph (b), because there is something there that requires attention also. The concluding lines of this paragraph call for:

—a written statement of the settler setting forth his belief as to present value of the land and his reasons therefor, and the names and addresses of any persons whom the settler proposes as witnesses to the present value:

Hon. Mr. GRIESBACH: My honourable friend is not reading from the Bill before the House.

Hon. Mr. TAYLOR

Hon. Mr. MURPHY: That is the first draft. Those words have been eliminated.

Hon. Mr. TAYLOR: I am glad they have been, because they would be very dangerous.

Hon. Mr. BELAND: That is right.

Hon. Mr. GRIESBACH: You suggest the other amendment as required by paragraph (b)?

Hon. Mr. BELAND: There is no objection to that.

Hon. Mr. BEIQUE: I move paragraph (c), as amended.

The Hon. the CHAIRMAN: Strike out the word "market" in two places. Shall paragraph (c), as amended, be adopted?

Hon. W. B. ROSS: I do not think you have got this matter right yet. If a settler wishes to get the Soldier Settlement Board in motion, certain things have to happen, according to new section 68. He has to make an application, and it has to appear that he purchased land from the Board, that he has not assigned it, that he has not transferred his interest, that his agreement with the Board has not been terminated or rescinded, that he has not repaid his indebtedness to the Board, and that there has been a decrease in the market value of such land, not the result of neglect or mismanagement on the part of the settler. Now, that has all to appear before the Soldier Settlement Board gets in motion at all, in order to start the other Board.

Hon. Mr. BELCOURT: My honourable friend is wrong. I would ask him to read paragraph (b); the support is defined there clearly—as to what he must do. These are things which are to be determined later on, but his application will be referred to the Committee for the purpose of ascertaining those very things.

Hon. W. B. ROSS: But the Soldier Settlement Board are not entitled to start in motion at all until these conditions are first complied with.

Hon. Mr. BELCOURT: The section says the application must be supported, and when the affidavit or supporting evidence comes in the Board must refer it to the Committee.

Hon. W. B. ROSS: Are all those words in new section 68 down to line 20 to have no meaning at all

Hon. Mr. BELCOURT: As I said before, new section 68 creates the remedy, and defines it.

Hon. Mr. TANNER: It goes further; it says that must appear before any step can be taken.

Hon. Mr. BELCOURT: New section 68 has but one object; it is to define and determine exactly this new remedy created by this Act. Then there are subsections providing that there must be an application supported by an affidavit, showing certain things. Then the subsection determines the way to ascertain this compensation. That has to be done by a tribunal of arbitration, and in making their compensation they must hear evidence and take into account whether the depreciation of land has been caused by mismanagement or neglect on the part of the applicant. That is what this Arbitration Committee investigates. The Board does not investigate anything at all; all it has to do is to ascertain that the application has come, and is supported by affidavit. The Board has nothing to do but immediately refer it to this Arbitration Committee, who hear evidence on all the requirements of the Act, and report to the Board, and the Board acts accordingly.

Hon. Mr. TAYLOR: What is the objection to making the Bill say so?

Hon. Mr. BELCOURT: It does say so.

Hon. W. B. ROSS: New section 68, in the second line, provides for the application of the settler, and that is followed up 10 lines afterwards by setting out things that must happen before they require it. Then when you come to paragraph (b) it simply says the application shall be supported. That is the application away at the beginning of new section 68.

Hon. Mr. McMEANS: I move that the Committee rise and report progress, and ask leave to sit again.

Hon. Mr. BEIQUE: It seems to me the wording of the Bill is pretty clear. New section 68 (1) determines the ground upon which the application must be made. This application must be supported by evidence, therefore the applicant must state that he is in the position set out in the first paragraph of new section 68.

Hon. Mr. GRIESBACH: No, he does not do that in paragraph (b): he there sets out certain things, but he does not touch on those earlier points.

Hon. Mr. BEIQUE: He has to show that he has not paid all his indebtedness to the Board. He has to state that there is a depreciation that he is complaining of, and that this depreciation is not the result of neglect or mismanagement on his part.

Hon. Mr. MURPHY: I would suggest that this first draft of the Bill be called in before we discuss this any further.

Hon. Mr. GRIESBACH: The honourable gentleman from Montreal (Hon. Mr. Béique) has raised our apprehensions so that they are worse than they were before. I was quite convinced till he spoke.

Hon. Mr. DANDURAND: Honourable gentlemen, will you allow me to explain what I believe to be the legal aspect of this Bill? We have here quite a number of legal lights. I confess that I read the Bill without any idea that there could be something like a deep-laid plot behind it, and I do not think there is.

Now, what does new section 68 purport to say and do? Simply to indicate who will be the beneficiary under this Bill; and surely it is the settler. Then the Bill proceeds to say that notwithstanding anything in this Act the Board is hereby empowered—when? Upon the application of a settler. Now, what settler? One who has agreed to purchase any land from the Board. That is clear. One who has not assigned or transferred his interest in his land. These are two conditions that are very clear. One whose agreement with the Board has not been terminated or rescinded, and who has not repaid his indebtedness to the Board. These conditions are clear. He will have upon his application to show that he has agreed to do certain things, and that he has certain qualifications.

Hon. W. B. ROSS: Why not read the whole of them?

Hon. Mr. DANDURAND: I am proceeding to do it:

—who has agreed to purchase any land from the Board, who has not assigned or transferred his interest in his land, whose agreement with the Board has not been terminated or rescinded and who has not repaid his indebtedness to the Board, and where there has been a decrease or depreciation in the market value of such land not the result of neglect or mismanagement on the part of the settler; to make provision for the re-valuation of the said land subject to the following conditions:—

This simply means that these are the essential conditions which will have to come before the Board. The applicant will have to appear before the Board, under this clause, and establish that he is properly under this clause, and that there has been a depreciation not due to his neglect or mismanagement. All these things must appear in his

application, and must be a statement that he will make. Then:

(a) Application for revaluation shall be submitted to the District Superintendent of the Soldier Settlement Board for the district within which the said land is situate;

(b) The application shall be supported by a statutory declaration setting out (i) the original purchase price of the land and the value of improvements effected since the establishment of the settler thereon, and (ii) his belief as to present value of the land and his reasons therefor;

He will explain. He will give his reasons why there has been depreciation. Well, the Board may say: "No, there has been no depreciation; you have failed to notice that the one who held land by your side, the same land, made some profit by it, but he proceeded, in managing that farm, in a different way from you." That is a proper matter for examination by that Committee of Arbitration, and I do not see that there is any difficulty, on examining this new clause 68, which starts by declaring under what conditions a man will appear before that Board. He will have to have a certain status.

Hon. Mr. TAYLOR: Before which Board?

Hon. Mr. DANDURAND: To appear before the Arbitration Committee.

Hon. Mr. TAYLOR: No, you have got the wrong Board.

Hon. Mr. DANDURAND: No, to appear before the Arbitration Committee he will simply make his application, which will cover the conditions of new section 68, and they will be sent over to the Arbitration Board, if his application covers the facts mentioned in new section 68.

Hon. W. B. ROSS: Who settles what the application covers? Is that settled by the Settlement Board, or by the Arbitration Committee? There is the point.

Hon. Mr. DANDURAND: Well, I do not believe that the Board will be able to refuse to send that application to the Arbitration Committee. It may refuse. If it does not find on the books the name of the applicant as a settler it may be able to settle the matter. But any man who says, "I am a settler and I have an agreement," would probably be entitled to have his application referred. Surely the Board would not debar anyone wtih a colourable right from going before that Arbitration Committee.

Hon. Mr. TANNER: The honourable gentleman will see that without this proposed Act the Soldier Settlement Board has no more power than I have to send the matter to a District Committee; and if this Bill does not in words give the Settlement Board power to refer the case, how can the Settlement Board send it to a Committee? It has no power.

Hon. Mr. BELCOURT: It must. It has not even any discretion: it must send it to this Arbitration Committee.

Hon. W. B. ROSS: On certain conditions.

Hon. Mr. ROBERTSON: I think honourable gentlemen will agree if we consider what the Soldier Settlement Board is not empowered to do. It is empowered in clause 68 to do certain things if certain conditions exist. Let us read it the other way and see if we cannot arrive at a conclusion. The Board is not empowered to grant this application for a Committee to a settler who has not agreed to purchase land from the Board, or who has assigned or transferred his interest to some other party. The Board is not empowered to grant the application when the agreement with the Board has been terminated or rescinded. The Board has no power to grant the application or make the reference where there has been a decrease or depreciation in value of the land as a result of neglect or mismanagement on the part of the settler. Therefore the determination of what comes within the requirements of this clause is surely, under its provisions, an obligation resting upon the Board itself. I understand honourable gentlemen who have been arguing here tonight to assert that in their opinion the power to decide this question ought not to be placed in the hands of the Board, and that the question ought not to be determined until the Arbitration Committee has heard the evidence. I am not a lawyer, but to me it is perfectly clear.

Hon. Mr. BELCOURT: May I try once more?

Hon. Mr. GRIESBACH: Just before the honourable gentleman makes his explanation.

Hon. Mr. McMEANS: I have a motion before the Chair, and I would like to know whether it is going to be presented or not.

Hon. Mr. DANDURAND: My honourable friend will bear with us a little while.

Hon. Mr. McMEANS: It is now half-past eleven, and this Bill has had it second reading.

Hon. Mr. DANDURAND: Yes, but we have not sat very many nights up to the present.

Hon. Mr. GRIESBACH: Take paragraph (b)—

Hon. Mr. McMEANS: Mr. Chairman, I would rather withdraw the motion if it is not going to be put.

Hon. Mr. BELCOURT: The honourable gentleman from Edmonton is discussing the motion now.

Hon. Mr. GRIESBACH: My suggestion is very short, and to me it seems to be quite sensible. I do not know how it may appeal to others. Take paragraph (b) and complete this provision by saying that the application shall be supported by a statutory declaration with regard to the requirements of subsection 1, setting forth that the settler has agreed to purchase the land, that all the other conditions have been complied with; that the land has depreciated in value and not because of any wrongdoing on the part of the applicant, and then amend paragraph (h) by saying, "Upon the receipt of an application for revaluation supported as required by paragraph (b)." It seems to me that in this way you take out of the hands of the Board the power to declare that, on account of wrongdoing on his part, the applicant cannot proceed further when he has merely filed his statutory declaration setting out his claim. If paragraph (h) is made to read, "Upon receipt of an application for revaluation supported as required by paragraph (b)", the matter goes right ahead. That is the suggestion that I would offer.

Hon. W. B. ROSS: The applicant asks for a trial.

Hon. Mr. GRIESBACH: Asks for a trial and gives his statement of claim.

Hon. W. B. ROSS: That is the way it ought to be reconstructed, but in its present form you have two trials.

Hon. Mr. McMEANS: I would rather withdraw my motion.

Hon. Mr. BELCOURT: I am going to make another attempt, a very brief one. I will not repeat what I said about the first part—the finding of this new remedy. I am going to put my explanation in the negative, if I may. I say that when the application comes to the Board the first thing the Board must do is to see that the application—to use the words of the Bill—is supported by an affidavit containing the particulars mentioned in the Statute. That is the first requirement. If there is no affidavit supporting the application, the Board is not called upon to refer it, and that is the end of the matter. The Board may say: "It is not supported by affidavit and you have no claim; there is nothing to refer." Then the Board may, as my honourable friend the leader on the other side said a moment ago, proceed to consider the questions that are mentioned there. For instance, has the settler's agreement with the Board been terminated? If it has been terminated, then there is nothing to investigate; there is no occasion to refer the matter to this Arbitration Committee. If the settler has repaid his indebtedness, again there is no occasion to make a reference, because the Act does not provide any remedy for him. If there is no affidavit, or if the evidence is before the Board, blinding them, that these other conditions that I have just mentioned exist, then there is nothing to refer; the applicant has not brought himself within the provisions of the Statute and he cannot expect any investigation as to a decrease in value of his property. If the Board finds that he has a right—an inchoate or indefinite right, not ascertained as to the amount of compensation, it refers the matter to this Arbitration Committee for the purpose of having the amount of compensation determined, the Committee being empowered to take into consideration the various restrictions and conditions imposed by the Statute. Then they give their decision. They find either that the application is entitled to compensation or that he is not. If he is not, of course, that is the end of it.

Hon. Mr. BELAND: The Board?

Hon. Mr. BELCOURT: No, no: the Arbitration Committee. The Arbitration Committee's decision is final. It reports to the Board, and the Board is bound to accept that decision and act upon it. If the Committee find that the applicant is not entitled to any compensation, the Board gives no compensation. If the report of the Arbitration Committee is that he is entitled to, say, $500 compensation, the Board arranges the books accordingly, gives him credit for that amount, and makes the entries, and the whole matter is settled. But there is no evidence of negligence or of mismanagement on his part except what is given before this tribunal of arbitration. It is only failure to comply with the conditions mentioned in section 68 that will prevent the applicant from having his application referred to this Arbitration Committee, and such failure may appear by the books of the Board, which in themselves constitutes evidence. I have read the Bill, and it seems to me we have been discussing for two hours a great many difficulties and complications which are not to be found in it at all.

Hon. Mr. TAYLOR: Honourable gentlemen, I think that in two minutes I could show the honourable gentleman who has just taken his seat something that he has not mentioned and that is absolutely fatal to his argument; but I am aware that there is a motion that the Committee rise and report progress. I really think we should put this off until tomorrow.

Hon. Mr. BEIQUE: Honourable gentlemen, before the motion is put I would like to draw attention to this point. My difficulty is with the wording of paragraph (h). The honourable gentleman (Hon. Mr. Belcourt) says that according to his reading of the Bill the Arbitration Board or Committee decides everything—decides all questions of fact.

Hon. Mr. BELCOURT: No. My honourable friend misunderstood me. I said that there were certain facts which might appear from the books of the Board, with regard to the conditions mentioned.

Hon. Mr. BEIQUE: But I understood the honourable gentleman to say that it is the Arbitration Committee that decides the question whether or not depreciation was due to mismanagement on the part of the settler.

Hon. Mr. BELCOURT: Yes, I say that the sole function of this Arbitration Committee is to decide the question of depreciation. It has nothing else to do.

Hon W. B. ROSS: That is right.

Hon Mr. STANFIELD: Better get an opinion on it from the Justice Department.

Hon. Mr. BEIQUE: But may I ask a question, so that I may understand? Does the honourable gentleman contend that the Arbitration Committee decides the question whether or not the depreciation is due, wholly or in part, to the settler?

Hon. Mr. BELCOURT: Yes. That is the only thing it has to do.

Hon. Mr. BEIQUE: That is what I understood the honourable gentleman to say. Now. my difficulty about that is the wording of paragraph (h). which says:

> Upon receipt of an application for revaluation supported as aforesaid, the Board shall refer the same to the District Arbitration Committee who will thereupon fix a convenient time and place and upon the hearing of all evidence submitted the Committee shall decide the extent to which depreciation in value has taken place and its decision or that of any two of its members shall be final and conclusive.

My difficulty, I repeat, is due to the use of those words, "the Committee shall decide the extent to which depreciation in value has taken place." It would be much clearer if after those words we added, "and as to whether such depreciation was or was not the result of neglect or mismanagement on the part of the settler."

Hon. Mr. BELCOURT: We have covered all that by adding after the words "in value" the words, "as above defined."

Hon. Mr. DANDURAND: I move that the Committee rise and report progress. But I may state that I think we can redraft the first part of section 68 so as to provide that when an application is submitted to the Board, containing certain things, the Board shall refer those matters to the Committee.

Hon. W. B. ROSS: That is the way to do it.

The Hon. the CHAIRMAN: I understand there are no amendments to report yet.

Hon. Mr. DANDURAND: No.

Progress was reported.

PRIVATE BILLS

SECOND READINGS

Bill 11, an Act to incorporate the President of the Lethbridge Stake.—Hon. Mr. Buchanan.

Bill 13, an Act respecting a patent owned by The John E. Russell Company Limited.—Hon. Mr. Belcourt.

Bill 92, an Act respecting the Grand Orange Lodge of British America.—Hon. Mr. Robertson.

DIVORCE BILLS

SECOND AND THIRD READINGS

Bill M5, an Act for the relief of Samuel Wexler.—Hon. W. B. Ross.

Bill N5, an Act for the relief of Samuel Lehman Stouffer.—Hon. Mr. Willoughby.

Bill O5, an Act for the relief of Robert Douglas Ian McLeod.—Hon. Mr. Schaffner.

Bill P5, an Act for the relief of Mary Margaret McColgan Vinnette Graydon.—Hon. Mr. Schaffner.

Bill Q5, an Act for the relief of Alexander Charles Boyd.—Hon. Mr. Shaffner.

Bill R5, an Act for the relief of Charles Day.—Hon. Mr. Michener.

Bill S5, an Act for the relief of Albert Wilson Denning.—Hon. Mr. Schaffner.

Bill T5, an Act for the relief of Margaret Lambert.—Hon. Mr. Schaffner.

Bill U5, an Act for the relief of Jessie Patterson.—Hon. Mr. Schaffner.

Bill V5, an Act for the relief of Ernest Ashton.—Hon. Mr. Schaffner.

Bill W5, an Act for the relief of Evelyn Christine Stewart.—Hon. Mr. Schaffner.

Bill X5, an Act for the relief of Ernest Love.—Hon. Mr. Schaffner.

Bill Y5, an Act for the relief of Charles Stanley Reed Riches.—Hon. Mr. Haydon.

Bill Z5, an Act for the relief of Mona Aileen Davies.—Hon. Mr. Haydon.

Bill A6, an Act for the relief of Elizabeth Wright.—Hon. Mr. Pardee.

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

THE SENATE

Wednesday June 2, 1926.

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

Prayers and routine proceedings.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. ROBERTSON presented the report of the Committee on Railways, Telegraphs and Harbours on Bill H5, an Act to Incorporate the Detroit and Windsor Subway Company, and moved that this report be taken into consideration to-morrow.

Hon. Mr. BEIQUE: Honourable gentlemen, when this Bill was before the Committee I pointed out that under clause 7 the capital stock of the company is to consist of 1,000,000 shares without nominal or par value, and that there was no guarantee that the company would not commence operations when it had no assets in its treasury. It is incumbent upon companies of this kind to have a fair amount in their treasury before commencing operations. I stated, and it was understood, I think, by the Committee, that I would look into the matter and would prepare a notice of motion to be made when the report would be taken into consideration. I give notice that when the report is taken into consideration I will move:

That the following be added to section 7:

"The company shall not commence its operation or incur any liability before a sum of at least dollars—

I would suggest $25,000 or $50,000—

—has been paid into its treasury, and which sum shall not be withdrawn except for the purposes of the undertaking of the company or upon its dissolution."

In the case of a railway company, under the Railway Act, it cannot commence its operations before 10 per cent of its authorized capital has been subscribed. There is there a guarantee that if liabilities are incurred there will be something with which to pay such liabilities. But in this case, as the shares are to be without nominal or par value, and as the shares can be issued as paid-up shares for whatever consideration may be fixed by the promoters of the company, I think it would be bad legislation to allow the company to begin operations before there is a reasonable amount in the treasury.

The Hon. the SPEAKER: Do I understand that the honourable gentleman gives that as a notice of motion on the third reading of the Bill?

Hon. Mr. BEIQUE: No; when the report of the Committee is taken into consideration.

The Hon. the SPEAKER: It is not the rule to amend a report in that way. If the honourable gentleman wishes to have the report refered back to the Committee—

Hon. Mr. BEIQUE: No. Let it be on the third reading.

The motion of Hon. Mr. Robertson was agreed to.

DIVORCE BILLS

FIRST READINGS

Bill J6, an Act for the relief of Bertha Amelia Bertelet.—Hon. Mr. Schaffner.

Bill K6, an Act for the relief of Olive Mary Mead.—Hon. Mr. Willoughby.

Bill L6, an Act for the relief of Alice Elizabeth Blakely.—Hon. Mr. Willoughby.

Bill M6, an Act for the relief of Ethel Maud Hargraft.—Hon. Mr. Lewis.

Bill N6, an Act for the relief of Frédéric Vinet.—Hon. Mr. Lewis.

DOMINION FOREST RESERVES AND PARKS BILL

FIRST READING

Bill 97, an Act to amend the Dominion Forest Reserves and Parks Act.—Hon. Mr. Dandurand.

FARM LOAN BILL

FIRST READING

Bill 148, an Act for the purpose of establishing in Canada a system of Long Term Mortgage Credits for Farmers.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: Honourable gentlemen: I beg leave to be allowed to move that the second reading be taken at the next sitting of the House, on Monday next. This does not mean that we shall reach the Bill, but, if it so happens that we can do so, I could perhaps give an explanation of the measure.

As this is new legislation and of some importance, I would suggest to the honourable members of the Senate, since they will have a few holidays, that they kindly read the explanations and the debates which took place upon this Bill yesterday and which appear in Hansard. The Bill will be distributed by this evening, and all the explanations that were asked and furnished are to be found in the report of the debates of yesterday. By reading the report before the project is taken into consideration on Monday or Tuesday, all may be as well informed upon the Bill as the Commoners have been. It has been passed in the Commons without opposition. As we are to adjourn the Senate to Monday evening, I am quite sure that it will be an easy matter for honourable members to be thoroughly informed, so far as the Debates in another place will give them information, on all the details of the measure.

The motion of Hon. Mr. Dandurand was agreed to.

McGIBBON DIVORCE PETITION

MOTION

Hon. Mr. WILLOUGHBY moved:

That the Third Rreading and proceedings taken on May 25th on Bill (C5) intituled An Act for the relief of Alice Victoria McGibbon, be rescinded, and that the said Bill be restored to the Order Paper for a Third Reading for the purpose of correcting an error.

Hon. Mr. BELCOURT: What is the error?

Hon. Mr. WILLOUGHBY: The error is one of the very infrequent slips that occur in the office. The name given in the Petition and the name in the marriage certificate are the same, but before the Bill was given the third reading the Clerk preparing the matter spelt the name incorrectly, so that it does not correspond with the true name of the person. It is one of those very rare slips that occur in that office.

The motion was agreed to.

SOLDIER SETTLEMENT BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 17, an Act to amend the Soldier Settlement Act, 1919.

Hon. Mr. Robinson in the Chair.

Hon. Mr. DANDURAND: Honourable gentlemen, I was asked to furnish to the Senate the information which is to be found in a return which was made to the House of Commons as to the dealings of the Board with the soldiers to whom money was advanced. There is a series of 19 questions bearing on those transactions, and the answers made by the Board and by the Department of Indian Affairs covering practically all those questions. I do not know if I should read the questions and answers, or put them in Hansard.

Hon. Mr. WILLOUGHBY: I suggest that they be put in Hansard, they are so extensive.

Hon. Mr. DANDURAND: Then, instead of reading them, I will hand them to the reporters, and suggest that they be arranged with the answers to each question immediately following the question. There are two series of answers, but both can go in after each question:

Return to an Order of the House of Commons dated March 15, 1926 (Sessional Paper 169).

Note.—Answers marked (X) are by Soldier Settlement Board, those marked (Y) by Department of Indian Affairs.

1. Total amount of arrears on Soldiers' Settlement operations to December 31, 1925.
(X) $2,269,571.11. (As at March 31, 1926, the arrears amounted to $1,596,442.13).
(Y) $25,811.40.

2. How many of the abandoned farms have been re-sold.
(X) $2,246.
(Y) 30.

3. Total charges against these lands, including all costs.
(X) $7,611,432.84.
(Y) $76,224.25.

4. The sale price by the Board, when re-sold.
(X) $7,881,898.30.
(Y) $43,713.23.

5. (a) The sale price to the original settler, (b) how many of these were Crown Lands, (c) how many loans, and (d) how many purchases.
(X) (a) $7,611,432.84, (b) 162, (c) 55, (d) 2,029.
(Y) (a) $45,141.00, (b) None, (c) 3, (d) 27.

6. (a) Number of farms still un-sold and (b) the total charges outstanding against them, (c) how many are Crown Lands, (d) how many loans, and (e) how many purchases.
(X) (a) 4,413, (b) $13,485,307.01, (c) 977, (d) 218, (e) 3,218.
(Y) (a) 12, (b) 24,742.77 (c) none, (d) 2, (e) 10.

7. (a) Number of abandoned farms rented during the past year, (b) the total charges against them, (c) the net return received by the Board as rent, and (d) what per cent rate this shows on the Board's total investment therein.
(X) (a) 2,827, (b) $8,703,544.16, (c) $291,787.97 (d) 3.4.
(Y) (a) One, (b) $5,184.73, (c) $200.00, (d) Approximately 4 per cent.

8. (a) How many soldier settlers are in arrears in whole or part as of 31st of December, 1925, and (b) how many of these are married.
(X) (a) 11,329, (b) 7,949.
(Y) (a) 110, (b) Approximately 90 per cent.

9. (a) How many have abandoned their holdings as of December 31, 1925, and (b) how many abandoned their farms during the calendar years 1919, 1920, 1921, 1922, 1923, 1924, and 1925.

(X) (a) 6, 659, (b) 1919, 39; 1920, 992; 1921, 1,212; 1922, 836; 1923, 1,096; 1924, 1,213; 1925, 1,271.

(Y) (a) 42, (b) 1921, 2; 1922, 8; 1923, 10; 1924, 10; 1925, 12.

10. (a) How many of those in arrears are settlers on homesteads or soldier grants, and (b) what the arrears are.

(X) (a) 1,728, (b) $165,861.91.

(Y) None.

11. (a) How many of those in arrears are settlers on land owned by themselves on which the Board made loans for development work, and (b) what the arrears are.

(X) (a) 1,096, (b) $143,236.53.

(Y) (a) 34, (b) $4,108.68.

12. How many of those in arrears are settlers on lands purchased for them by the Board and (b) what the arrears are.

(X) (a) 8,970, (b) $1,961,685.32.

(Y) (a) 76. (b) $21,702.72.

13. (a) How many of those farms abandoned were homesteads or soldier grants and (b) what the total charges against them are.

(X) (a) 1,139, (b) $1,576,248.28.

(Y) None.

14. (a) How many of those abandoned are lands owned by the settler and mortgaged to the Board, and (b) what the total charges against them are.

(X) (a) 273, (b) $572,257.49.

(Y) (a) Seven, (b) $4,738.89.

15. (a) How many of those abandoned are lands purchased by the Board for settlers and (b) what the total charges against them are.

(X) (a) 5,247, (b) $16,235,804.44.

(Y) (a) 35, (b) $49,702.02.

16. (a) How many of those paid in full are settlers on homestead or soldier grants and (b) what the amount paid by them is.

(X) (a) 121, (b) $115,734.97.

(Y) None.

17. (a) How many of those paid in full are on lands privately owned and mortgaged to the Board and (b) what the amount paid by them is.

(X) (a) 294, (b) $440,076.41.

(Y) (a) Six, (b) $4,314.92.

18. (a) How many of those paid in full are on lands purchased by the Board for settlers and (b) what the amount paid by them is.

(X) (a) 411, (b) $1,565,203.85.

(Y) None.

19. (a) How many abandoned farms have been disposed of to British Settlers under the Land Settlement Scheme, (b) the price paid by these settlers, (c) the original sale price paid by these settlers, (d) the original sale price of these lands to the soldier settlers, and (e) the total liability of the Board in these lands at the time of sale to British Settlers.

(X) (a) 240, (b) $964,341.81, (c) Answered by (b), (d) $1,029,886.42, (e) Answered by (d).

(Y) None.

We lost considerable time last evening in trying to understand the reason for the drafting of this Bill as it came from the other House. I find that our trouble is due to the fact that the Bill as originally presented gave some powers to the Board which could be exercised at its discretion, and then created the machinery for an examination by an arbitral tribunal as to the depreciation which might be alleged by each soldier. When the Bill was amended, the first clause, new section 68, was left without change. It seemed to be a fair preamble or explanation of what the Act purported to do; but I realize that there were justifiable reasons for questions being put concerning that clause, as it seemed to give some discretion to the Board in the reception of the application of the settler, and sending it over to the Arbitration Committee. Now I propose to replace that draft of clause 68 by the following:

Notwithstanding anything in this Act, any settler who has agreed to purchase any land from the Board, who has not assigned or transferred his interest in his land, whose agreement with the Board has not been terminated or rescinded, who has not repaid his indebtedness to the Board, and who claims that there has been a decrease or depreciation in the value of such land, not the result of neglect or mismanagement on his part, may make application for the revaluation of the said land, subject to the following conditions:

Then follow the conditions:

(a) Application for revaluation shall be submitted to the District Superintendent of the Soldier Settlement Board for the district within which the said land is situate;

(b) The application shall be supported by a statutory declaration setting out (i) the original purchase price of the land and the value of improvements effected since the establishment of the settler thereon, and (ii) his belief as to present value of the land and his reasons therefor;

(c) The difference or depreciation in value to be determined shall be the diminution, not due to neglect or mismanagement on the part of the settler, in the present market value of the land and the improvements sold to the settler, as compared with the price at which the settler agreed to purchase the said land and improvements from the Board. In determining the present market value of the land, improvements made by the settler shall not be included; provided that in any case where the actual sale price is greater than the maximum amount which under section sixteen of this Act may be advanced by the Board in the purchase of land on behalf of any settler, such maximum amount shall be deemed the sale price for the purposes of this section:

I believe that this new draft will clear up the whole matter which was under discussion last evening. Therefore I move that the first part of clause 68 (1) be struck out, down to line 20, and replaced by the amendment which I have just suggested.

The amendment was agreed to.

Hon. Mr. DANDURAND: I would move to strike out the word "market" in the third line of paragraph (c).

Hon. Mr. TAYLOR: As to paragraph (c), the same difficulty which was mentioned last night arises there, because those conditions are anterior to the appointment of a Committee of Arbitration, and this leaves it to be determined by the District Superintendent of the Board whether there is neglect on the part of

the settler. I suggest that you treat this as you treated the preamble.

Hon. Mr. DANDURAND: No; all that the settler has to do is to make the claim.

Hon. Mr. TAYLOR: No, not by paragraph (c). Paragraph (b) deals with the claim, but paragraph (c) reads:

(c) The difference or depreciation in value to be determined shall be the diminution not due to neglect or mismanagement on the part of the settler.

Now, this is in the reference to be made by the Soldier Settlement Board to the Committee.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. TAYLOR: Excuse me. As I read it, it is.

Hon. Mr. DANDURAND: The settler who falls under the conditions mentioned in the first clause, 68 (1), may make application for a revaluation of his land if he claims that there has been a decrease or depreciation in the value of the said land, not the result of neglect or mismanagment on his part. In his application he will have to make that statement. His application for revaluation shall be submitted to the Superintendent of the Soldier Settlement Board; the application shall be supported by a statutory declaration setting out the original purchase price of the land and the value of improvements effected since the establishment of the settler thereon, and his belief as to the present value of the land and his reasons therefor.

Then there are directions given to the arbitral court as to the difference or depreciation in value to be determined by that court:

The difference or depreciation in value to be determined shall be the diminution, not due to neglect or mismanagement on the part of the settler.

That is a matter which the settler would have alleged. Then, the diminution is to be:

—in the present value of the land and the improvements sold to the settler, as compared with the price at which the settler agreed to purchase the said land and improvements from the Board. In determining the present value of the land, improvements made by the settler shall not be included; provided that in any case where the actual sale price is greater than the maximum amount—

That is $5,000—

—such maximum amount shall be deemed the sale price for the purposes of this section.

Then we have paragraphs from (d) to (h) dealing with the details. So I think we have cleared the way by abolishing any idea that the Board has any discretion in stopping the petition from reaching the Arbitration Committee.

Hon. Mr. TAYLOR.

Hon. Mr. TAYLOR: But if the honourable gentleman will allow me, I think he overlooks the fact that this paragraph (c) is not addressed to the Arbitration Committee at all. It is addressed solely to the Soldier Settlement Board. That Board get the application, they take into consultation the District Superintendent, who is familiar with the history of the applicant, and they ask the District Superintendent: "Has this land suffered by neglect or mismanagement on the part of the settler?" This is the Board, not the Arbitration Committee; and according to this the District Superintendent is authorized to say to the Board: "Yes, this land has suffered seriously from the neglect or mismanagement of the settler." Under this provision the settler has no answer to that. It may have been justifiable neglect; it might be excused because of illness, for instance; it might be mismanagement due to innocent want of experience, for which Parliament does not want to penalize the settler. But he has no answer at all under this proceeding. The application is made privately by the Board to the District Superintendent, who says: "Pay no attention to this fellow; his circumstances are due to his own wilful neglect." In doing that we are subjecting that man to trial for neglect by this fellow: his circumstances are due to his the Settlement Board, and I have an objection to a report by some individual going in, with no opportunity given to the settler to answer such report.

As was pointed out last night, paragraph (h) shows that this is all that the Arbitration Committee is authorized to do. As I read this, that Committee is not authorized to say whether or not there has been neglect, or how much depreciation is due to neglect. It simply says:

(h) Upon receipt of an application for revaluation supported as aforesaid, the Board shall refer the same to the District Arbitration Committee who will thereupon fix a convenient time and place for hearing, and upon the hearing of all evidence submitted the Committee shall decide the extent to which depreciation in value has taken place and its decision or that of any two of its members shall be final and conclusive.

That is all it does decide—the extent to which depreciation has taken place. But there comes in then a report from the Soldier Settlement Board to say: "A certain number of dollars of that depreciation has been determined by us under paragraph (c) as due to neglect or mismanagement." I think, if those two are read together, that conclusion is inevitable, because if there is not to be a diminution from the finding of the Committee because of neglect or mismanagement, what is the use of including that in paragraph (c)?

Hon. Mr. BELCOURT: It was for the purpose of removing any question of that sort that I suggested that paragraph (h) be amended by adding the words, "depreciation as above defined." The trouble to which my honourable friend refers would no longer exist if those words were inserted.

Hon. Mr. TAYLOR: If the honourable gentleman wants to make the case right, why not do it properly by using absolutely plain language? It is just as easy.

Hon. Mr. BELCOURT: That is plain language, surely?

Hon. Mr. TAYLOR: No.

Hon. W. B. ROSS: What about paragraph (i)? Does not that give what you suggest?

Hon. Mr. DANDURAND: Does not my honourable friend from New Westminster attach any importance to paragraph (a) of clause 68:

(a) Application for revaluation shall be submitted to the District Superintendent of the Soldier Settlement Board for the district within which the said land is situate.

Hon. Mr. TAYLOR: Yes. That is the burden of my remarks a few moments ago—that the application is made to the District Superintendent.

Hon. Mr. BELCOURT: Where is that in the Bill?

Hon. Mr. TAYLOR: Line 22, on the first page.

Hon. Mr. BELCOURT: There is no reference to a District Superintendent.

Hon. Mr. TAYLOR: Yes. Paragraph (a) says:

Application for revaluation shall be submitted to the District Superintendent.

Hon. Mr. BELCOURT: Not as to valuation.

Hon. Mr. TAYLOR: If the honourable gentleman will permit me. I was answering the question asked by the leader of the House. Paragraph (a) says:

Application for revaluation shall be submitted to the District Superintendent of the Soldier Settlement Board.

The District Superintendent gets that application, and then he gets the support provided for in paragraph (b), and proceeds to satisfy himself as to (c); and he uses his local knowledge as Superintendent and says: "That man has been wilfully negligent and should be penalized for it," and he reports accordingly.

Hon. Mr. MURPHY: Having known the honourable gentleman longer and better than some other honourable gentlemen in the House, possibly I appreciate the difficulty that he finds in this section more readily than they do. My honourable friend, as I understand him, is afraid that the District Superintendent will exercise certain functions and make a report. There is nothing in the Bill investing him with power to exercise any functions, nor is he called upon to make any report. Under the Bill, he is simply a conduit pipe, so to speak, in which the application is placed, and through which it is passed on to its destination. My honourable friend's difficulty would be removed if a few words were added to subsection (a), making it quite plain that the District Superintendent has no other function than that, and that he cannot of his own motion made a report as to whether or not depreciation is due to neglect and mismanagement.

Hon. Mr. TAYLOR: Will the honourable gentleman add how that is to be made effective? That has to be inquired into by someone.

Hon. Mr. MURPHY: By the Board of Arbitration. Paragraph (c) merely defines how depreciation shall be arrived at.

Hon. Mr. DANDURAND: Paragraph (a) has nothing to do with the machinery of the Bill. It was put there in order to give the soldier an opportunity to bring his application to the office nearest his home. That provision can be struck out and put in paragraph (d). I have just asked why (a) and (d), and I am answered that they are one and the same thing. The District Superintendent is the representative of the Board in the District. Paragraph (a) is put there in order that the soldier may have a nearby office where he can file his claim, and he must do so before the 1st day of October, 1926. He is familiar with that office; it is there he paid his dues and interest. Surely we should not lead the soldiers to believe that they must come to Ottawa or write to Ottawa. The office here is a central office with which they have nothing to do.

My honourable friend is in error if he thinks there is any power given to the District Superintendent. After he receives the petition he sends it to Ottawa, and from there it is referred to the District Committee. It is provided that the District Superintendent shall transfer those applications to Ottawa in order that the machinery may be set in motion to establish a Committee. My honourable friend may rest assured that the superintendent has nothing to do with the whole machinery of this Act.

Hon. Mr. GRIESBACH: My understanding of subsection (1) of section 68 as amended is that it ensures to the applicants an appeal to this Board. I followed the honourable gentleman from New Westminster (Hon. Mr. Taylor) in his argument last night, when he said that the clause as it stood might enable the Soldier Settlement Board to block the proceedings by interjecting that the soldier had not farmed his land properly. That point seems to be covered by this amendment. The remainder satisfies me, inasmuch as the man has an undoubted right to appeal under the first clause. Nothing can stop that: it must go forward. If the declaration which is required does not disclose the necessary facts upon which an appeal can be made, then the Arbitration Committee will have to strike out the application and the applicant must accept that. He must have bought the land, he must have agreed to pay a certain price, and he must have contractual relations with the Board. I am quite satisfied that paragraph (c) is merely a direction to the Arbitration Committee as to the law upon which they shall make their finding. With the alteration, I think that down to the end of paragraph (h) the first clause of the Bill is all right.

Hon. Mr. GILLIS: As I understand the situation, a settler makes application to the District Superintendent, and he cannot by any action prevent that application coming before the Arbitration Board.

Hon. Mr. DANDURAND: Absolutely.

Hon. Mr. TAYLOR: I do not want to be too persistent, honourable gentlemen, but this is a matter affecting many hundreds of soldiers, and I want it to be made perfectly clear. The question is much larger than that. As pointed out last night by the honourable gentleman from de Salaberry (Hon. Mr. Béique), the Arbitration Committee has no authority to inquire as to how much of the depreciation is due to neglect and mismanagement: its authority is expressly defined here. The Committee shall decide the extent to which depreciation in value has taken place. After that is decided in percentage or in dollars, what is to be done next is set out in paragraph (i), namely, that their finding is to be taken and treated as provided for in paragraph (c). When you refer back to paragraph (c) you find that there is a requirement that such proportion of the depreciation as is due to neglect and mismanagement on the part of the settler shall be deducted from the award of the Arbitration Boards. Now, as I say, the settler has no opportunity of meeting a computation of that kind unless it be made by the Arbitration Committee. I am quite content that it should be made by the Arbitration Committee, if the settler is represented; but I am not satisfied that it should be made by the Settlement Board and deducted by the Arbitration Committee.

Hon. Mr. BEIQUE: I understand the honourable gentleman has referred to what I said last night. It is true that last night I was under the impression that the clause was not clear because of the wording of subsection (h); but when I was told by the honourable member from Ottawa (Hon. Mr. Belcourt) that the words "as herein above defined" were to be added, that satisfied me. I think with the addition of those words it is clear that under subsection (h) it will be for the Arbitration Board to pass upon the whole question of whether there is any depreciation, and if so, what amount, and whether or not it is due to neglect and mismanagement.

I quite agree with the honourable gentleman who has already called attention to the fact that paragraph (c) merely defines the depreciation upon which the Arbitration Board will have to pass.

Hon. Mr. GRIESBACH: Paragraph (i) says:

> Upon the conclusion of the matter referred to the District Arbitration Committee under this section, the Committee shall forthwith forward a copy of its decision to the Board,

—that is the decision of the Arbitration Committee—

> and where the decision shows that there has been depreciation as hereinbefore set forth in paragraph (c)

—that is the nature of the depreciation. That is the only reference to that. I have no objection to the insertion of the words "as defined above".

Paragraph (c) was agreed to.

Hon. Mr. TAYLOR: Does that mean that we adopt this on the understanding that when we reach paragraph (h) the change will be made there?

Hon. Mr. DANDURAND: Yes.

Paragraph (d) was agreed to.

On paragraph (e)—District Arbitration Committees.

Hon. Mr. McMEANS: The way this paragraph is drafted, it would not be of very much use. There seems to be what might be called a clerical error. In Manitoba there are no such things as counties, and there are no County Judges. There is a Judge of the County Court, but the Judicial Districts are entirely different from the county court dis-

tricts. You could not very well carry out the provisions of this paragraph.

Hon. Mr. DANDURAND: How would the honourable gentleman draft it?

Hon. Mr. McMEANS: I do not know. I would have to look it over. I would like to know what was in the mind of the draftsman—whether he wanted to include the land within the County Court Divisions or the land within the judicial districts.

Hon. Mr. GRIESBACH: What is your suggestion?

Hon. Mr. McMEANS: I am suggesting that this paragraph is not drafted properly.

Hon. Mr. DANDURAND: I am informed that in Alberta and Saskatchewan there are no County Court Judges, but that there are District Judges.

Hon. Mr. McMEANS: We have no District Judges in Manitoba.

Hon. Mr. DANDURAND: Perhaps Manitoba has been neglected. In the East there are County Court Judges, and in the West there are District Judges; that is why County Court Judges and District Judges are mentioned. If there is any other designation in Manitoba, it is time we had it.

Hon. Mr. BELCOURT: Perhaps my honourable friend would tell us what court corresponds to a Country Court in Ontario and a District Court elsewhere?

Hon. Mr. McMEANS: There are judicial districts in Manitoba in which the Court of Assize sits, and in which there are district gaols, but there are no counties; they are County Court Districts. Several municipalities are thrown into a County Court District for the purpose of having a County Court Judge preside over them.

Hon. W. B. ROSS: But there is a County Court. This says: "The judge of the County or District Court."

Hon. Mr. GRIESBACH: Are there County Court Districts?

Hon. Mr. McMEANS: Yes.

Hon. Mr. GRIESBACH: Then the land must lie in some of those districts.

Hon. Mr. McMEANS: It does not say so here.

Hon. Mr. BELCOURT: Will my honourable friend tell us what other courts there are in Manitoba? You have, I suppose, a Superior Court of original jurisdiction.

Hon. Mr. McMEANS: Yes.

Hon. Mr. BELCOURT: Then you have lower courts?

Hon. Mr. McMEANS: Yes.

Hon. Mr. BELCOURT: What are they called?

Hon. Mr. McMEANS: They are called County Courts, but there is no such thing as a judge of any county.

Hon. Mr. BELCOURT: Who presides over the County Court?

Hon. Mr. McMEANS: The County Court Judge. Read this and you will see the point.

Hon. W. B. ROSS: Are you not disassociating the word "Court" from the word "County"?

Hon. Mr. GRIESBACH: Yes, you are.

Hon. Mr. ROSS: This means Judge of the County Court or District Court.

Hon. Mr. McMEANS: "Of the County." Read the next line: "Of the county or judicial district within which the land is situate." Now, there is no county in the province in which the land is situate.

Hon. Mr. ROSS: No "County or Judicial District"?

Hon. Mr. McMEANS: There is no county in the province of Manitoba.

Hon. Mr. ROSS: But there is a Judicial District.

Hon. Mr. McMEANS: I know, but the County Court Judge does not preside over that. There may be three different judges who have jurisdiction in the same district.

Hon. Mr. GRIESBACH: It refers to his own Judicial District.

Hon. Mr. McMEANS: He has no Judicial District.

Hon. Mr. GRIESBACH: He must have some district.

Hon. Mr. McMEANS: I am getting tired of talking in this way. I am making a suggestion to the honourable leader of the Government, and if he desires to make the correction it is for him to do so. I have pointed out the irregularity and have shown that to my knowledge the thing is not workable. The honourable gentleman may be guided himself in whatever way he wishes.

Hon. Mr. DANDURAND: After we pass this Bill through Committee and before taking the third reading, I will draw the attention

of the Department of Justice to the representation made to my honourable friend.

Hon. Mr. McMEANS: Then we have done with that, and if the cross-examination is discontinued I will proceed.

I have very serious objections to this clause as it stands at present. You are going to make thirty, forty or fifty different Arbitration Boards throughout the country. That will create dissatisfaction and there will not be uniformity. You will have a Board on one side of a line reducing the price, and another Board on the other side of the line increasing it.

Hon. Mr. BELAND: Not increasing it.

Hon. Mr. McMEANS: Making it higher than the valuation fixed by the valuators on the other side of the line. There will be no uniformity about it. There will be thirty or forty different Boards.

The Bill is drawn in such a way that there will be three Arbitrators, and two of them may make the decision, which will be final. It is unnecessary for me to say that you can never have forty different Arbitration Boards that will not be divided upon some principle. Error will creep in. In some cases the valuation will be too high; in some cases it will be too low. There will be, as I say, a great deal of dissatisfaction.

My idea is that there should be a Provincial Board—one Board of Arbitrators for each province. The Board could take evidence as to the valuation, sitting in different parts of the province, and at least their decision would be uniform. How are you going to work in a matter involving such a huge sum of money as will be involved in these reductions, if you have to appoint Arbitration Boards in forty or fifty different places? Then you provide that there shall be no appeal. There may be cases in which one man may be influenced by a great deal of sympathy for the soldier; on the other hand, another man will say that the land in the particular district in which he lives is of greater value. There will be a great deal of dissatisfaction and no uniformity at all.

Hon. Mr. GRIESBACH: How many Soldier Settlement Districts are there in the Province?

Hon. Mr. McMEANS: In Manitoba? I do not know how many in Manitoba, and I do not know how many in Ontario.

Hon. Mr. GRIESBACH: There is probably only one in Manitoba.

Hon. Mr. McMEANS: Nonsense!

Hon. Mr. GRIESBACH: Ask the question and see.

Hon. Mr. DANDURAND.

Hon. Mr. McMEANS: I do not have to ask the question. The honourable gentleman may ask for his own information. I desire to point out that the absence of any appeal from the decision of two arbitrators will result in nothing but confusion and dissatisfaction when such huge interests are left to the decision of Arbitration Boards composed of different individuals. I would like to see that clause redrafted, and if I am allowed I will move an amendment to it to the effect that there shall be a Board for each province.

Hon. Mr. BEIQUE: Honourable gentlemen, I think that the suggestion is worthy of serious consideration. Yesterday the same thing occurred to my mind, not only for the reason that dissatisfaction is liable to be created because one Board will deal more liberally than another, but also for the reason that the cost will be considerably increased if there is a multiplicity of Boards. I think the suggestion to have one Board for each province should be seriously considered.

Hon. W. B. ROSS: Before the honourable member for Winnipeg (Hon. Mr. McMeans) drafts his amendment I would like him to consider the question whether it would not be better to refer this assessment of damages to the Exchequer Court. There is in the Exchequer Court a man who has been there for some years and is an expert.

Hon. Mr. CASGRAIN: The honourable gentleman is right: Judge Audette.

Hon. Mr. ROSS: And he will get at the truth and give justice in one-tenth of the time that the ordinary man can do it.

Hon. Mr. CASGRAIN: And without any expense to the country.

Hon. Mr. ROSS: And without any expense to the country. There is no soldier or other person who wants fair play and justice but will get it, and he has no right to ask for anything more than that. There will be two kinds of conditions creating discontent. Besides what the honourable member for Winnipeg has pointed, there will be the enormous expense. There are three personse to sit with the Committee, and members do not sit nowadays for much less than $10,000 a year. They would feel rather out of it if they did not get some salary like that. I do not know how many Districts there would be, but the honourable leader on the other side of the House could perhaps tell us. I think there can hardly be forty in the Dominion, but there may be.

Hon. Mr. GRIESBACH: I was asking as to the number of Soldier Settlement Board Districts. How many Soldier Settlement Board Districts are there, for instance, in the province of Manitoba?

Hon. Mr. DANDURAND: One in Manitoba.

Hon. Mr. GRIESBACH: There you are. There is your Provincial Board.

Hon. Mr. McMEANS: No, it is not—pardon me. As I understand the Bill, a Board is to be created for each of the different Districts, is it not?

Hon. Mr. GRIESBACH: Yes, but there is only one District in Manitoba.

Hon. Mr. GILLIS: It depends upon the applications.

Hon. Mr. McMEANS: It depends upon the applications.

Hon. W. B. ROSS: It would help matters if we knew. I do not know myself how many there are. If there is any number like twenty or thirty, the expense would be very great, and this could be paid through the Exchequer Court.

Hon. Mr. CASGRAIN: Honourable gentlemen, I think the suggestion of the honourable leader of the Opposition (Hon. W. B. Ross) is an excellent one. I once saw one of the Judges of the Exchequer Court, Judge Audette, dealing with no less than 250 different cases. He was doing that at his country house at Rivière du Loup, and he was judging each one of them without much apparent difficulty. Of course, he had a great deal of work to do. He has had a vast experience. He has been engaged in that work, to my knowledge, for over 25 years, first as Clerk of the Court, and then as Judge, and it is very seldom that any judgments rendered by him have been unfair. Nobody knows that better than the honourable member from De Salaberry (Hon. Mr. Béique), who had him act in a most intricate case, that of the Southern Counties Railway, and I am sure the honourable member from De Salaberry will bear me out in saying that no better Judge could have sat on the case than Judge Audette.

Hon. W. B. ROSS: In the assessment of damages I think he is the most satisfactory Judge we have ever had.

Hon. Mr. CASGRAIN: Then there would be practically no expense. The country pays for that Court. Before a Board composed of persons not belonging to the Judiciary, there would be a great many allegations made and considerable time wasted in adjudicating upon them; whereas if such matters come before the Exchequer Court, they will be dealt with expeditiously. I have seen that Court sit from 10 o'clock in the morning until ten at night in order to dispose of business. I remember, for example, that some years ago, when Judge Cassels was there, and the Soulanges Canal was under consideration, a farmer had a grievance of some sort or other, and the Judge sat at Montreal until everything was settled—and it did not take long to settle the matter either—and everybody was satisfied.

I think the honourable leader of the Opposition deserves commendation for having suggested sending this to the Exchequer Court.

Hon. Mr. WILLOUGHBY: It would certainly be necessary to visit different Districts.

Hon. Mr. CASGRAIN: The Exchequer Court Judge travels the length and breadth of this country. He would give notice that on a certain date he would be in Vancouver, or in Halifax, and he would be there. The Exchequer Court is a Court that moves all over the country.

Hon. Mr. WILLOUGHBY: I am quite sure. I have appeared before it. But the honourable gentleman's remarks led me to infer that it was proposed to have the Judge sit here.

Hon. Mr. CASGRAIN: Not at all. He would go about the country, but there would be no expense.

Hon. W. B. ROSS: He would take an automobile and drive over the land.

Hon. Mr. BEIQUE: For a great many years he has sat in all the different provinces.

Hon. Mr. WILLOUGHBY: Yes.

Hon. Mr. BEIQUE: He has adjudicated upon properties in all the provinces and knows the conditions in every province, and there is no doubt it would save a large amount of expense.

Hon. Mr. DANDURAND: I readily recognize that there would be a considerable saving effected by the appointment of an Exchequer Court Judge, but it must be borne in mind that there may be 7,000, 8,000, 9,000 or 10,000 cases to be settled now, and not any time within the next five years, and these cases are distributed all over the area of the nine provinces, and cannot be tackled

in twelve months by one Judge, because he would have to go into each Judicial District and hear the witnesses at hand. Each case will stand on its own merits, and you will have cases in British Columbia, in Nova Scotia, and all over the Northwest. If you think that these matters may be settled within the next five years and there is no harm in delay, then the Senate can suggest the Exchequer Court. But, honourable gentlemen, do not forget that this is a matter in which we are threatened with the departure from the land of the thousands of settlers who have remained there in spite of adverse circumstances and are hoping for some kind of relief. Now, is it judicious to appoint a judge whose duty it would be to investigate all those cases? He can do it admirably if the necessary time is given him, but I wonder if anyone can assert that the work may be done by a single judge, who would have to hear witnesses regarding the conditions in certain small areas and would have to go from one Judicial District to another. This Bill speaks of Judicial Districts, and although I have answered that there is but one Settlement Board in Manitoba, it must be remembered that there are more Judicial Districts. I doubt very much that the purpose of the Bill would be effected in the way just proposed. There was a rather lengthy discussion on this very question of the composition of the Board, and I believe the general consensus of opinion among members from the West was in favour of some kind of local Board. The division of opinion was as between having one County Judge alone, and having him assisted by a representative of the Soldier Settlement Board and a delegate from the soldier claimants themselves. After an exhaustive discussion the conclusion was that which is embodied in the Bill. Now, I leave this matter to the Senate, but I am afraid that if the suggestion to refer the matter to the Exchequer Court is adopted there will be considerable dissatisfaction and harm will ensue.

Hon. Mr. McMEANS: Could not the matter be adjusted in this way, that the Governor General could appoint for each province an arbitrator who has some experience in land matters? I think the honourable member from Edmonton (Hon. Mr. Griesbach) supposes that there is only one Court to sit in Manitoba.

Hon. Mr. GRIESBACH: I have receded from that.

Hon. Mr. McMEANS: And the gentleman sitting next to the honourable leader of the Government says that there is only one Settlement Board. The Bill does not say that at all.

Hon. Mr. DANDURAND: No. I have just mentioned the fact that the Bill refers to the Judicial Districts.

Hon. Mr. McMEANS: That is what I wanted to explain—that there are a great many different Districts. My only desire is to help the returned soldiers as much as possible, and I am very much in favour of the Bill, but I can see the confusion that will result. Could not the honourable leader suggest that the Government appoint one particular judge or arbitrator for the whole province of Manitoba? Then let him go through the province and take the evidence, and settle the matter. In that way we would have uniformity of decision. I would also suggest that in the event of there being, in the opinion of the Minister, any miscarriage of justice, provision should be made for an appeal. Mistakes are bound to creep in sometimes in cases of that kind. This is too serious and too important a matter to pass over casually by giving the County Court Judge and two other men in every District in the country full power to deal with it.

Hon. Mr. DANDURAND: This Chamber has a perfect right to express its opinion and to set up a tribunal of a different kind from that which is embodied in this Bill.

Hon. Mr. CASGRAIN: But we are facing a decision that has been adopted after very long discussion, lasting days and days, in the other Chamber. Is it worth while altering the constitution of the Committee and adopting the alternative which has already been rejected by the other House? Of course, we have the right to do so, and to express our opinion.

Hon. W. B. ROSS: I think the honourable gentleman is rather exaggerating the time that it would take the Exchequer Court Judge to make the valuations. The seeding season for this year is over, and you have at least six or seven months to give the Exchequer Court Judge for the work to be done. I venture to say that he can decide all those cases satisfactorily inside of four or five months—perhaps three or four; because if he goes into a district, takes one farm into consideration, and settles upon what has happened in regard to deterioration of land in that district, the question is practically settled for all the farms in that district.

Hon. Mr. GRIESBACH: No.

Hon. W. B. ROSS: Very largely. Of course, there are side questions. But there must be some general principle affecting land all over the Northwest, whether the deterioration may be placed at 10 per cent, as one man has estimated it, or at 20, or, as has been estimated by some, as high as 50 per cent. When he has arrived at the principle to apply in the district, the heavier part of his work is done.

Hon. Mr. CASGRAIN: In any case the very extended period mentioned by the honourable leader of the Government can be divided by two, because there are two Judges in the Exchequer Court, and Mr. Justice McLean could do his share of the work. Probably he would be more familiar with the Eastern sections, as he comes from Nova Scotia. One Judge might take the Eastern section of the country, and the other one, who knows the whole country very well, could take the Western sections. I think the suggestion made is an excellent one, and I am sure the valuations could be made very quickly, because, as the honourable leader of the Opposition in this House says, when the extent of depreciation in one place had been determined, that would apply within a pretty wide radius from the particular properties, and then it would be merely a question of declaring that the depreciation was so much for this land, and so much for the other. The honourable Senator from De Salaberry (Hon. Mr. Béique) reminds me of the Home Bank and the thousands of cases that had to be decided. There was no trouble in that connection.

Hon. Mr. CALDER: They are not decided yet.

Hon. Mr. GILLIS: In regard to this section, I think that, with all the machinery required, it would be extremely expensive. Take, for example, the province of Saskatchewan. It has—

Hon. Mr. CALDER: About twenty Districts.

Hon. Mr. GILLIS: About twenty Judicial Districts, presided over by District Court Judges. In each of those judicial districts there are settlers who will make application under this Bill for readjustment of their land. That will mean the creation of 20 Boards. I think that every one must agree that that would be an outrage, and the expense would be enormous.

Hon. Mr. CASGRAIN: And no uniformity.

Hon. Mr. GILLIS: No uniformity. Honourable members will recollect that a year or two ago a Bill came to this House from the House of Commons relating to pensions, I think, suggesting that we appoint a Board for practically each military district in every Province. A Committee of this House got together, and cut that down to one Committee for the entire Dominion, and that plan worked out very satisfactorily.

If we pass the present Bill with this clause as it appears, it will create very expensive machinery, and will not be satisfactory. As pointed out by the honourable gentleman from Winnipeg (Hon. Mr. McMeans), there will be no uniformity, and of course that will create a great deal of discontent.

As I stated on the second reading of the Bill last night, I think the whole scheme is wrong. The soldiers, particularly those in the western county, are agitating for a scheme entirely different from the one outlined in this Bill. They have repeatedly asked for a reasonable reduction or entire elimination of the interest that is being charged on their accounts. Now, that need not involve any expense at all. All that would be necessary would be to eliminate the interest that has been charged, either in part, say one-half, or altogether, and that would satisfy all the soldiers from one end of the country to the other.

Hon. Mr. CALDER: For the time being; but interest would simply begin to accumulate again, and you would have to start the plan once more.

Hon. Mr. GILLIS: We might start from the beginning, and charge them only the original amount advanced for land and equipment.

Hon. Mr. CALDER: If the argument is that they have paid too much for the land, how are you going to improve their condition by simply wiping out the interest?

Hon. Mr. GILLIS: The plan is based in this way: the amount is fixed for a term of 25 years with principal and annual payments, and the interest amounts practically to almost as much as the amount originally borrowed. If the interest is eliminated, they will be able to meet their principal payments yearly. That is what they have asked. It may not be a feasible scheme, but they have asked for it. I think the country would not lose any more money by that scheme than by the present one.

Hon. Mr. CALDER: And save all costs.

Hon. Mr. GILLIS: Save all costs. There would be no arbitrations, and I think we could make conditions that would be more satisfactory, and that would satisfy the soldiers. Under this Bill we are going to

have discontent, and I think it will cause more soldiers to abandon their land than have gone thus far. No matter whether the consideration of the Arbitration Committee is right or wrong, the probability is that the soldier will be discontented, and I question very much if this Bill is going to accomplish the object the Government have in view.

Hon. Mr. WILLOUGHBY: I would like to know if there has been an estimate of the cost of this revaluation.

Hon. Mr. DANDURAND: It is impossible to say, because it all depends on the number of cases. There may be 11,000 cases in which action will be necessary.

Hon. W. B. ROSS: How many tribunals will you have, and how much per day will the members of those Committees receive? They will sit as long as they can; they would sit forever if possible.

Hon. Mr. DANDURAND: It is impossible to say how many tribunals there will be, because every individual settler has the right to appoint his own arbitrator.

Hon. Mr. WILLOUGHBY: Yes, and we are going to pay for it. I think we all recognize, those who are most kindly disposed to the soldiers as well as others, that we cannot begin to give general satisfaction, and that there will still be grievances in the minds of many of them that we cannot remedy. All that we can pretend to do is to give even-handed justice, and make the Committees function properly in order to keep those people on the land; that is the settlement idea. If it were possible to simplify the machinery, and cheapen it very largely in its adjudication, in the way suggested by my honourable leader, the idea would certainly be well worth consideration. Whatever other results would accrue, we would have uniformity, which would be very desirable, and also an enormous reduction in the expense.

Hon. Mr. CALDER: I quite agree that if it is possible to create one court to deal with the situation it would be preferable, from many standpoints which have been explained; but I fear that one judge or even two judges of the Exchequer Court could not possibly handle the situation within a reasonable time. The case of the Home Bank has been referred to, but I understand there are a great many claims pressing for decision in that case, so that the situation there has not been dealt with as rapidly as some honourable gentlemen may have thought it would be.

I thoroughly agree with the remarks made by the honourable gentleman from Whitewood (Hon. Mr. Gillis), that we have 20 judicial districts, and I am safe in saying that there is not one district in which there are not returned soldiers. On the other hand, I take it that every one of those 11,000 returned soldiers who are in arrears is going to make application to have the price of his land reduced. That is only natural; if there is a chance for reduction, they are going to put in applications.

Hon. Mr. WILLOUGHBY: An application does not cost anything.

Hon. Mr. CALDER: No, it does not cost anything; so we will have 11,000 applications to be considered. Now, one of the purposes of this legislation is to keep the men on the land, but if this work drags along for two or three years the men will disappear, and that is not desirable. In our province applications will come from 20 districts, there will be 20 Arbitration Committees sitting and we will have all kinds of different yard-sticks used to measure the amount of reductions to be made. This will create endless trouble to the Government and to all concerned. If it is at all possible to eliminate that and provide some simplified machinery, I think it should be done.

My personal suggestion is that in a province like ours three Arbitration Committees, instead of 20, could handle the situation in sufficient time. Let the Boards be constituted in the same way, making provision for representatives of the Soldier Settlement Board, the judges, and the representatives of soldiers, and let them come together and reach conclusions as to the yard-sticks that should be applied in every portion of the province. In that way the tribunals could handle this matter in reasonable time, and also do even-handed justice so far as it can be done. If it were possible that the Exchequer Court, or their agents properly instructed, could handle the situation throughout the whole Dominion, that would be preferable, but I fear that they would not be able to do so within a reasonable time.

Hon. W. B. ROSS: There is very serious objection to these Boards. We ask ourselves, how are they going to be paid—by the year, or by the day? One would not appoint a man who has a yearly salary, for he has his work to do, and he would drive through it as fast as he could, and get it out of the way. If you appoint a Committee and pay the members $30 or $40 a day, you do not know when they will finish their work. We know that in this wicked world these things are spun out as long as possible. So we do not know what this plan will cost, and when we

talk of having the work done quickly, the plan of having a Board would simply protract instead of shorten the time.

I am not absolutely wedded to the Exchequer Court, although I think it is the best plan in sight. I know that for some years there was dissatisfaction about the assessment of damages in that court, but after Judge Audette came into it all complaints of that kind disappeared. He was a man that appealed to me at once as the one for this work. Whether or not he could be helped by giving him an assessor to go through the work I do not know, but I believe that Judge Audette could do it quicker than any Committees, who will drag out the time. If it is found, after consultation with Judge Audette, that the Exchequer Court is crowded with work, perhaps another judge who has been pensioned, and has great experience in that sort of work, might be secured, and thus these valuations could be made quickly.

Hon. Mr. WILLOUGHBY: Why not make him chief, and give him some assistance?

Hon. W. B. ROSS: We might give him an assessor or assistant. I have no doubt that Judge Audette knows lawyers and county court and other judges who are valuable men and understand such work as this Bill involves, who could help him, and whom he could call in as assessors or assistant judges.

Hon Mr. MURPHY: For the purpose of trying to assist in clarifying this discussion, let me point out that apparently it is proceeding on the assumption that all the members of the Board would be paid. The membership of the Board will be made up of the judge, an official of the Soldier Settlement Board, and a third man to be selected by the soldier.

Hon. Mr. CALDER: Not an official of the Soldier Settlement Board.

Hon. Mr. MURPHY: A representative.

Hon. Mr. CALDER: Some person representing the Board.

Hon. Mr. MURPHY: I understand that the judge and the representative of the Board will not be paid. The representative of the Soldier Settlement Board will be taken from the regular staff, as I understand. I am only pointing this out because I agree that the expense should be kept down to the lowest possible figure; but it occurred to me that the discussion was proceeding on the assumption that all the members of the Board would be paid. That would not be the case: there would be only one member paid. True, the expenses of the others would be paid.

Hon. W. B. ROSS: That is interesting, and I would like to know on what authority the honourable gentleman says the county court judge would not be paid.

Hon. Mr. MURPHY: I understand from the Department that that would be the case.

Hon. Mr. McMEANS: You could not do it without amending the Judges Act.

Hon. Mr. BELAND: You could not pay them.

Hon. Mr. McMEANS: But I never heard of a judge being appointed on a Commission or anywhere else without receiving pay, and very large pay. If he is appointed an arbitrator, and if he has to attend to his county court duties in addition, it is an exceedingly great case of hardship if you do not pay him. He would have to be paid.

Right Hon. Sir GEORGE E. FOSTER: I do not think we get far in discussing this question as to whether men are willing to work for a long while without getting something for it. I think that they will be paid, and that the bills will have to be footed. I have listened to this discussion as it has gone on, and I am impressed with the fact that we are face to face with a very important situation. For my own part, I should like to know more about this measure, and especially would like to have this Chamber give a little more time to think over this matter. We have not much information given us by the Government. When the question is mooted as to whether there will be 20 or 40 Arbitration Boards, the Government does not know. My friend here (Hon. Mr. Calder), who knows his own province, says there will be over 20 in Saskatchewan. Let us come down to Ontario, and ask how many there will be there? There are 80 counties in Ontario; will there be a Board for every county?

Hon. Mr. DANDURAND: Judicial districts.

Right Hon. Sir GEORGE E. FOSTER: If you take the judicial districts, and add all those together, you are going to have nearly a hundred.

Hon. Mr. DANDURAND: Over that number.

Right Hon. Sir GEORGE E. FOSTER: Now we have an indication at least: we have a minimum of 100 Boards that will be in operation in different parts of our country.

The objection that was made by my friend from Winnipeg (Hon. Mr. McMeans) seemed to me a rather vital one—that you will have no uniformity, no strict line upon which decisions will be made.

Here you have a Board which has been appointed with the idea of being good to the soldier settlers. This Senate wants to be good to those settlers, wants to see them fairly treated, and, if there is to be a divergence either way, wants it to be on the side of generosity rather than that of parsimony. There is no objection to that; but when you come to the system which is embodied in this Bill, and follow out what it means, it is going to run into tremendous expense, it is going to affect a variety of minds on which the decisions of these Boards will operate, and in the end are you going to give much satisfaction to the soldier settler himself, or is it going to end in multiplying dissatisfaction, because a man on this side of the line, or in some other district, has been treated in a certain way, while another a few miles distant has been treated on a different principle?

At least we have gone far enough to make sure of two things: that this is a most haphazard way of getting at justice in the matter, and that it is a most expensive way as it looms before us at this time. Everybody knows that in assessing damages and arriving at valuations there is such a thing as expert knowledge, and there is such a thing as no knowledge at all about such matters, and no particular adaptability for it; but there exists a strong sentiment that you will make it as pleasant as you can for the man who prefers the claim. Now, we want to make it just, and perhaps a little more than just, to the claimant, and give him the very best judgment possible; but this country has some stake in the matter as well, and where there are millions of dollars in values to be taken into account, and treated by a multiplicity of Boards, some with lack of experience, I feel that we are facing a very important question as to expense and as to methods.

At first sight I took the suggestion which was made by the honourable leader of the Opposition (Hon. W. B. Ross) as being most excellent. He has named a man of experience, who has been at the work of valuation for 20 or 30 years, and has become an expert at it. He has a conscience, even though he possesses this expert knowledge, and he applies all this expert skill and a good deal of his sympathy, and all his conscience to his decisions, and in the end he gets at what is the just mean to be given in his valuation. That is an important quality to have in a man, and one which in the end will give more satisfaction to the soldier settlers than will the decisions of all those different amalgamations of Boards, 100 or more in number, made up of all classes of persons, with and without experience. If we could carry out this suggestion, and secure during the course of a year the time which two judges of the Exchequer Court could give to those decisions, there would be no doubt in my mind as to the wisdom of adopting that plan.

Other suggestions have been made which are well worth thinking over a bit. There is an utter lack of information. It may be a very difficult thing to give the number of Boards, and the expenses, and so on, but as the matter comes before us it would seem that the number of Boards would be very large and the expenses very heavy. I think that we should take time, and give such senatorial wisdom as we possess, a little opportunity for action before we finally settle the matter.

Hon. Mr. BELAND: May I ask the honourable gentleman's opinion with regard to the number of Boards? Would he favour a smaller number of Arbitration Boards, say one per Province, or one for the whole of Canada, or as many Boards as there are judicial districts?

Right Hon. Sir GEORGE E. FOSTER: In the first place, we must have machinery which will not cause delay. As between a hundred or more Boards and the other alternatives, I would be favourable to having two or three Boards for a province, if one cannot do it. We have to try to provide machinery that will do the work within the time, and give it the utmost attention at the lowest cost.

Hon. Mr. GORDON: If the Boards are not limited in number, no doubt all kind of trouble is going to arise. Let me point to paragraph (e), which says in part:

> Provided, however, that any settler applicant may, if he so desires, nominate an arbitrator to represent him upon the hearing of his application and in every such case the arbitrator so nominated shall replace the third arbitrator to be appointed by the Minister as aforesaid.

Any person can see what that would lead to.

Hon. Mr. BELAND: It would not necessarily increase the number of Boards.

Hon. Mr. GORDON: Some honourable gentlemen thought there would be forty or fifty Boards. Supposing there is only one Board, if each applicant has the privilege of nominating an arbitrator it appears to me to be certain—

Hon. Mr. McMEANS: There will be as many arbitrators as there are settlers.

Hon. Mr. GORDON: It is a wonderful thing for this country that we have a Senate composed of men who are independent and attentive to the good of the country in every respect. If the Opposition in this House were composed of men desirous of tumbling the Government into trouble, all they would have to do would be to say: "Go ahead with this Act as it is and you will get plenty of it."

Hon. Mr. DANDURAND: We could perhaps suspend that clause and proceed with the others.

Hon. Mr. GILLIS: This is a very important feature of the Bill. As we are going to adjourn until Monday next, why not appoint a small committee to take this into consideration and to report on Monday night? Our past experience with such committees has been very satisfactory, and probably such a committee could devise some scheme which would meet with the approval of the House. We cannot close our eyes to the fact that this provision is a blot on this piece of legislation.

Hon. Mr. GRIESBACH: I am impressed with what has been said about the lack of standardization. As the honourable gentleman from Regina (Hon. Mr. Calder) says the lack of a common yardstick is a serious matter. One is inclined to wonder whether a common yardstick can be applied to land values all over Canada. I know the expense involved by this legislation will be very considerable. We are trying to extricate ourselves from a difficulty, and we are confronted with the problem of trying to deal with the soldiers before they leave the land.

As I explained last night, the Soldier Settlement Board cannot reduce the amount which a settler owes to the Board; but when the Board has in effect forced him off the land by demanding so much that he cannot remain, then it is in a position to sell the land to the incoming settler at a price which it thinks is about right, or for as much as a man will pay upon the advice of his friends.

Speed is of importance in this whole question. If I remember the phrase correctly, "Bis dat qui cito dat,"—if you give quickly you give twice. If you delay the benefits you hope to confer they will be lost. For that reason I am disposed to feel that any amendment that would put this matter in the hands of the Exchequer Court, with only two Judges, would be very strongly objected to by a large number of people, and would largely destroy the effect of the legislation. Recognizing the necessity of a common yardstick, and also the necessity for speed, I was about to suggest that it might be possible to put it in the hands of the Exchequer Court with a provision for the employment of assessors who would go about the country and hear the evidence and bring it before the Judges of the Exchequer Court. In this way we would meet to some extent the popular clamour, because, after all, we are not entirely impervious to criticism.

Hon. Mr. DANDURAND: It occurs to me that we cannot say definitely that it would be preferable to have three arbitral courts in each province. Prince Edward Island, for instance, would perhaps need but one; Nova Scotia might need one or two; New Brunswick one or two; Quebec and Ontario, perhaps four each. When we are considering the expense we must not overlook the fact that it is the expense of trying each case. You might have one committee or arbitral court that would try say fifty cases, and it might cost as much as two arbitral courts trying twenty-five cases each. If we think over this question until Monday, perhaps we will see some way of reducing the number of arbitral courts per province. There are representatives in the Senate from all the provinces, and on Monday perhaps they could give an opinion as to the proper number of courts for their provinces; then we could decide if there should be one Judge only or if we should proceed along the lines laid down in the Bill.

Hon. Mr. CALDER: May I ask if we have on record a statement of the number of applications that may come from each province?

Hon. Mr. DANDURAND: No. We have a total of 11,000 cases. I suppose we could get from the Board the number of cases per Province.

Hon. Mr. CALDER: If we had that information it would be comparatively easy to determine the number of tribunals required to hear the cases in each Province.

Hon. Mr. BEIQUE: It would be useful also to have the information as far as possible by districts.

Hon Mr. MACDONELL: Could information be got from the Exchequer Court Judge as to how long it would take him to go through the 11,000 cases?

Hon. Mr. DANDURAND: I think it would be very difficult for him to give that in-

formation. He does not know the extent of the evidence in each case.

Hon. W. B. ROSS: The Exchequer Court Judge knows as a rule how long it takes him to assess the value of five or ten or fifty acres of land taken for railway purposes or for public works. He could give pretty good advice how to manage the committees. It would help us if we knew definitely on Monday evening that the Judge of the County Court or District Court who would act on the committee would simply be paid his out-of-pocket expenses—and it could be inserted in the Bill—and that the member of the Soldier Settlement Board on the committee—I presume that he is a man on a salary—was to be on the same footing as the Judge. That would make the statement of the Postmaster General more valuable. We might as well have all that information, even though we decide to put the matter in the hands of the Exchequer Court.

Hon. Mr. GILLIS: Why not leave it entirely to a Judge without the others?

Hon. W. B. ROSS: That is another alternative; or you could leave it to the County Court Judge to make an assessment and pass it on to the Exchequer Court Judge, who would check it over.

Right Hon. Sir GEORGE E. FOSTER: In connection with the proceedings on the Bill in the other House, does my honourable friend know whether or not Judge Audette of the Exchequer Court, for instance, was ever taken into consultation as to the carrying out of such an operation as this? I should think such a conference would be very instructive, and that his advice would be very valuable.

Hon. Mr. DANDURAND: I move that the Committee rise and report progress.

Hon. Mr. McMEANS: May I ask if the Government will also consider the question of the right to appeal.

Hon. Mr. CALDER: Just one further question. The Postmaster General referred to the fact that a Civil Servant—that is, a member of the Soldier Settlement Board—would be one of the arbitrators. That is scarcely the way that I understand the Bill. It says the Arbitral Court shall consist of a Judge and a representative of the Soldier Settlement Board. Now, if there were twenty courts operating in the Province of Saskatchewan, the Soldier Settlement Board would never appoint twenty of their officials as arbitrators, because they would not have that many to act as arbitrators. I presume the Bill never contemplated that the arbitrator should be one of the officials of the Board.

Hon. Mr. MURPHY: Not one of the permanent officials.

Hon. Mr. CALDER: It must be someone appointed to represent the Board, and he would draw his per diem and allowances.

Hon. Mr. CASGRAIN: Every man has a right to appoint his own representative, so there would be just as many Boards as there would be cases.

Hon. Mr. CALDER: If the soldiers would agree, I think it would be very much better that their organizations should select the men to act as arbitrators for them, instead of having an arbitrator for every soldier who makes an application. Those men would become expert and would expedite the work, whereas if there is a new arbitrator for every soldier who puts in an application it will be a terrible job.

The motion of Hon. Mr. Dandurand was agreed to, and progress was reported.

OLD AGE PENSIONS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 21, an Act respecting Old Age Pensions.

He said: Honourable gentlemen, this Bill aims at providing old age pensions for people who have reached the age of seventy. It is not a new idea. Although no effort has hitherto been made to legislate in this matter, the question has often been debated in the Canadian Parliament. It is not new in the rest of the world. Aged people have always been looked after in some way or other.

There are two main classes of persons who are in need of such assistance. The larger class comprises those who are dependent upon relatives, friends or strangers when they have become enfeebled and are incapable of earning their own living. Such people—and we have them all about us, throughout the country—constantly feel that as dependents they are a burden upon those who volunteer to care for them. The other class, less numerous, but representing a considerable number, is composed of those who have made an effort to save during their lifetime and have succeeded in accumulating and setting aside sufficient to provide themselves with a home in the town or city, but who when their autumn days are drawing to a close feel unable to maintain themselves and their family. Although

they have a home, they are in need of support; if it is not available the home must go, and in that case they fall into the first class—those who are dependent upon relatives and friends or upon institutions established for the purpose of supporting the aged. We all know that the men who labour with their hands—and they are the vast majority in this country—are throughout their lives in constant fear of two dangers, namely, unemployment, and helplessness in their old age. I have read considerable on the state of mind of the worker who feels that he may be dismissed any day and who is never sure of the morrow. Such a man, though often successful in bringing up a family, is in his latter days faced with the possibility of becoming dependent upon his children.

The aged poor in our country have been supported partly by private effort and partly by public institutions established by the municipalities and the provinces. At one time needy people were treated on the principle that the poor will always be with us and we must take care of them. They had been regarded as paupers in need of charity. In fact, the houses that were erected for them were called poor-houses. In more recent times, out of regard for the feelings of those people, we have changed the expression and have taken them into "Homes."

In addition to the assistance rendered to those people by private effort and public institutions, the problem of caring for them has been engrossing the minds of employers. Since the development of machinery has drawn together thousands of men working under the same roof, employers have felt the necessity of doing something for their old employees, and large corporations, particularly commercial institutions, have established pension funds of one kind or another for their own staffs. To such funds the employees are often required to contribute their share by monthly payments. Some institutions provide the sum necessary to constitute a pension fund without calling upon the employee for any contribution.

We have in the country also mutual benefit societies that gather the savings of the people for the purpose of pensioning them in their old age. There are trades unions that do likewise. I am told that various organizations of railway employees accumulate funds in order to protect their members from want in their old age. So far as those organizations are concerned, I am informed that there is no need of the intervention of the State, because the members have contributed so liberally to their pension funds that the amount coming to them when they reach a certain age is considerably in excess of what is provided under this Bill.

All these efforts have not solved satisfactorily the needs of a vast number of men who, upon reaching the age of seventy, look in vain for support, and therefore State action has been invoked. Legislators have tried to solve the problem by substituting system for chaos. Amongst the countries that have tried to solve the problem on a large scale are Great Britain, Australia, New Zealand, Uruguay, and Belgium. Those countries have established systems under which pensions are paid to persons who at a certain age lack the necessary means of livelihood, and the beneficiaries are not called upon to contribute thereto.

May I draw the attention of honourable members of the Senate to this situation? Although we may be divided in opinion as to the propriety of creating pensions to which the beneficiary does not contribute, there is no doubt that when the system is first established it must be upon a non-contributing basis; because men who have reached or are about to reach the age of seventy must be cared for when the law goes into effect, and provision must be made that persons who have passed their fiftieth year and are moving towards their sixtieth, but are unable to contribute sufficiently to a fund, will draw a fair amount of pension on reaching the age of seventy. This explains why a number of countries, on establishing a pension fund, have begun it on a non-contributing basis and after a number of years have deemed it opportune to transform the system into a contributing one. I believe that if Parliament passes this legislation in conjunction with the provinces, sufficient experience will have been gained in a few years by the administrators of the funds in the various provinces to enable them to decide upon the best policy to be adopted ultimately. The provinces of the Dominion, if they come under the scheme which is embodied in this Bill, may hold a conference to consider and determine what contributing plan would be most satisfactory for our country. At the present time, I am quite sure, there would not be sufficient information available to enable the various provinces to agree upon a plan that would be acceptable to their respective legislatures. The provinces will be enabled by their experience in the operation of the present plan to offer suggestions suitable to their own conditions.

In Canada at present there may be an uneven distribution of old people. I am told that the Eastern Provinces would show a larger proportion of old men than the

Western Provinces. In fact, some of the Eastern Provinces have lost considerable numbers of their younger generation to the new Western Provinces, and it will be interesting to see how this scheme applied to all the provinces would work, and what it would entail as a matter of financial responsibility.

Hon. Mr. McMEANS: I would like to say that if the present policy of the Government continues, there will not be any but old men in Canada, as the young ones are going.

Hon. Mr. DANDURAND: My honourable friend is drawing me far from the present Bill; but I may tell him that if he looks at the movement of trade, especially our export trade, during the past month, he will see that the population must surely have been on the increase, or else our men have been working day and night, because the immense jump in our exports shows that there is in Canada a vast working population producing materials.

Hon. Mr. GORDON: The honourable gentleman is thinking about the outgoing door while you are thinking about the incoming

Hon. Mr. DANDURAND: We are both thinking of the outgoing door, but my friend thinks the people are going out. He is making a mistake: it is what they are producing that is going out.

Hon. Mr. McMEANS: They have all gone —or our raw materials, rather.

Hon. Mr. DANDURAND: My honourable friend speaks of raw materials. Well, he will find that a country generally disposes of what it has most abundantly at hand, and if he will look around the world at the countries that are situated as we are, and developed to the same point as Canada, I think he will find the same conditions prevailing there.

Hon. Mr. GORDON: Yes, but he wants to manufacture the raw materials here.

Hon. Mr. DANDURAND: Well, we are doing it largely, owing to the good policy that has been established in this country for the last few years.

Now, some may ask why we are asking the provinces to join in this work. I believe that a large pension scheme to cover this whole country could be administered from Ottawa, only with very great difficulty, and at a cost which could not be borne. The provinces have machinery at hand, and a personnel which covers their various departments, and they can administer such a new institution and distribute the pensions throughout their respective territories at one-tenth of the cost it would be to the Dominion.

The draft Bill providing for old age pensions provides for a maximum pension of $240 a year, reducible by the amount by which the earnings of the annuitant exceed $125 a year, to every person aged seventy years or over, resident, and having resided for at least five years in a province which adopts the scheme, and having resided in Canada for at least twenty years. The total annual cost to the Dominion will be half the total amount paid out as pensions, the other half being borne by the provinces which adopt the scheme.

It will therefore be seen that the cost to the Dominion will depend upon

(a) the number of persons aged 70 and over;

(b) the number of those persons who have resided in Canada for at least twenty years and in a province adopting the scheme for at least five years;

(c) the present income of those persons;

(d) the number of provinces which adopt the scheme.

As to (a), the number of persons 70 years of age and over in Canada, according to the census of 1921, given on page 66 of the report of the special committee of 1924, was 247,103.

As to (b), it is believed that there is no reliable information. It might be safe to assume that the number immigrating to Canada within the last twenty years aged 50 or over at the time of entry would not be very large, and might be neglected, the total population now aged 70 or over being regarded as having been resident in Canada for at least twenty years. As to the length of residence in any particular province, there is no information.

Hon. Mr. ROBERTSON: Might I interrupt my honourable friend to ask if the Government have information as to the proportion of the 200,000 odd people who are past the age of 70 and are in straitened circumstances, and would necessarily seek relief under this Bill?

Hon. Mr. DANDURAND: No, I do not think that information is available.

As to (c), the present means of the population aged 70 and upwards, there is no information as to Canada. The special committee adopted for the purpose of their estimate the proportion of the total aged population eligible for pension in Australia according to 1921 figures. These showed that approximately 40 per cent of the population 70 years of age and over qualified for pension. On this basis the number qualifying in Canada would be 40 per cent of 247,103, or 98,841.

As to the proportion of this number which would rank for full and partial pensions, respectively, there is no information, but in view of the fact that in most pension countries practically all pensions are for the maximum amounts it would be safe to assume that the same condition will apply here.

The Bureau of Statistics has in process of compilation information as to the yearly wage earned by workmen in Canada in age groups, but it does not deal with income other than wages. This information when compiled, may be of some assistance in estimating the probable reduction in pensions due to present income, but the information is not available at this date.

As to (d), there is no information.

In view of the absence of authentic information I do not believe that any better estimate can be made than that made by the special committee in 1924. This was as follows:

Total population aged 70 and upwards, 1921 census..	247,103
Number qualified for pension, 40 per cent..	98,841
Total annual pension at $240 per annum..	$23,721,840
Dominion's share annually.. .	11,860,920

This makes no provision for the natural increase in the old age population from year to year. On the other hand it assumes that all provinces are going to adopt the scheme.

As to the approximate effect of one or more provinces failing to adopt the scheme, this can be estimated by observing the percentage which the population over 70 in each province bears to the total population over 70. This is shown by the following table, compiled from the Bulletin of the Bureau of Statistics on age distribution by provinces, as shown by the Sixth Census of Canada, 1921.

Province	Population over 70	Percentage of total Population over 70
Prince Edward Island.. ..	5,338	2.2
Nova Scotia..	24,757	10.0
New Brunswick..	14,943	6.0
Quebec..	63,949	25.9
Ontario..	102,286	41.4
Manitoba..	10,295	4.2
Saskatchewan..	8,822	3.5
Alberta..	6,884	2.8
British Columbia..	9,663	3.9
Yukon..	112	.1
Northwest Territories.. ..	54	.1
	247,103	100.0

From the foregoing it will be seen that if, for instance, the Province of Nova Scotia failed to adopt the scheme the cost above estimated would be reduced by exactly 10 per cent to $10,674,828. If British Columbia alone adopted the scheme, the cost would be 3.9 per cent of the above estimate, or $462,575.

Those are the main figures which I have in my possession concerning this Bill. I do not know that I can add very much more at this stage. After the Bill gets its second reading and we go into Committee, it will be in order to examine the whole machinery which is to be found in the Bill for its operation. The main idea is contained in clause 3, which reads as follows:

> The Governor in Council may make an agreement with the Lieutenant-Governor in Council of any province for the payment to such province quarterly of an amount equal to one-half of the net sum paid out during the preceding quarter by such province for pensions pursuant to a provincial statute authorizing and providing for the payment of such pensions to the persons and under the conditions specified in this Act and the regulations made thereunder.

The agreement can be denounced or ended by a province that has signed it; but the Federal authority, which has bound itself to subscribe half of the amount paid by the province under the agreement, will need to give 10 years' notice to the province before putting an end to the agreement, for the obvious reason that the province, having made obligations, must carry them out.

Clause 5 reads:

> Before any agreement made pursuant to this Act comes into operation the Governor in Council shall approve the scheme for the administration of pensions proposed to be adopted by the province, and no change in such scheme shall be made by the province without the consent of the Governor in Council.

Naturally no province can be coerced under this Act: each must come voluntarily under it.

The question has been asked why this scheme is embodied in an Act before being submitted to the various provinces. The reason given is that it would be difficult, if a conference of the 9 provinces took place to-morrow, to have them agree upon the text of an arrangement which would be absolutely satisfactory to them all. Under these circumstances, and in view of the necessity of uniformity, the Parliament of Canada is justified in enacting legislation which seems fair, and which will be presented to the various provinces. They may separately study the Act and its conditions, and come to individual conclusions. On the other hand, they may get together to see if they could agree to the Act as it stands, or agree to some modification

of it, which would then be discussed at the next Session of this Parliament. Personally I am rather favourable to the idea of crystallizing into an Act the offer of the Dominion of Canada, because the provinces will thus know what the Dominion is ready to do, what it is offering, to what it has bound itself by its offer—which will not be simply a tentative offer, but a reality. The provinces will have to examine minutely into the scheme and decide, either individually or collectively, to come under it.

There is no question that to-day's provisions for the care of men of 70 who are in need are inadequate. I have had occasion to state, and I desire to repeat, that most of the present systems are imperfect; that none cover all the cases of need that exist; and that I believe there is enough spirit of solidarity in the population of Canada to decide to do the fair thing by the men who have carried most of the heavy load and done the hard and heavy work which helps to make this nation. They are the men who have worked through storm and rain; they have been without the advantage of higher education; and we owe them a large measure of sympathy.

This Bill represents a humanitarian movement which is sweeping over the various countries of the world, and I am sure that the people of Canada are disposed not to lag behind, but rather to march in the forefront of progressive development. I believe this measure is only a beginning.

It has been said that the amount of $240 a year, or $20 a month, is very small. Everybody will realize that, but we must enter upon this new field with some degree of prudence. Only those can benefit under this Bill who are not earning, or are not in possession of $365 a year, which represents a dollar a day. It is not a large sum, but I think it will be welcomed by the people at large.

We must not forget that this work is now being done in some form or other: the load is being carried to a certain degree by institutions, municipalities, and provinces. We know of men all around us who have been prevented from establishing homes because of having had to provide for some members of their families. There is not a citizen of Canada who does not know, and see under his own eyes, people who are in want yet are being insufficiently provided for. The duty of the community is obvious, and I think it is time that we systematized this problem of the care to be given to our old people who at the age of 70 are in need.

Hon. W. B. ROSS: I was going to move that the further discussion of the Bill be postponed until the sitting on Monday.

Hon. Mr. DANDURAND: The honourable gentleman only needs to move the adjournment of the debate.

Hon. W. B. ROSS: Then, I move the adjournment of the debate.

The motion was agreed to, and the debate was adjourned.

Hon. Mr. DANDURAND: I move that when the Senate adjourns this evening it stand adjourned until Monday next, at 8 o'clock in the evening.

The motion was agreed to.

The Senate adjourned until Monday, June 7, at 8 p.m.

THE SENATE

Monday, June 7, 1926.

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

Prayers and routine proceedings.

HARRINGTON DIVORCE PETITION

REPORT OF COMMITTEE

Hon. Mr. WILLOUGHBY presented the 152nd Report of the Standing Committee on Divorce, with respect to the Petition of Ruth May Harrington.

Hon. Mr. CASGRAIN: May I ask why the fees are remitted?

Hon. Mr. WILLOUGHBY: The ground for the remission of fees in any case is poverty or inability to pay. That is the only ground we recognize.

Hon. Mr. CASGRAIN: I thought it was because the divorce was not granted.

Hon. Mr. WILLOUGHBY: When a petition is refused, we remit the entire fee. This is only a partial remission.

CUSTOMS TARIFF BILL

FIRST READING

Bill 114, an Act to amend the Customs Tariff of 1907.—Hon. Mr. Dandurand.

RAILWAY BILL

FIRST READING

Bill 149, an Act to amend the Railway Act, 1919.—Hon. Mr. Dandurand.

CHICOUTIMI HARBOUR BILL

FIRST READING

Bill 150, an Act respecting the Chicoutimi Harbour Commissioners.—Hon. Mr. Dandurand.

RED CROSS SOCIETY BILL

FIRST READING

Bill 151, an Act to amend the Canadian Red Cross Society Act.—Hon. Mr. Dandurand.

CRIMINAL CODE BILL

FIRST READING

Bill 153, an Act to amend the Criminal Code.—Hon. Mr. Dandurand.

YUKON QUARTZ MINING BILL

FIRST READING

Bill 154, an Act to amend the Yukon Quartz Mining Act.—Hon. Mr. Dandurand.

CANADIAN NATIONAL RAILWAYS

THE SENATE AND BRANCH LINE BILLS

On the Orders of the Day:

Hon. W. B. ROSS: Honourable gentlemen, before the Orders of the Day are called, there is a matter which I wish to call to the attention of the Senate. It arises out of a report that was submitted to the House by the Leader of the Government a week or ten days ago. This report is made under a requirement of the Acts incorporating a number of branch lines of the Canadian National system, that a return of the expenditure shall each year be made to Parliament.

This is a very well prepared report, but it is a very difficult one either to print or copy, and there are one or two things in it that I think should be placed on record, and made known to the country before it is pigeonholed. Honourable gentlemen will remember that in 1923 a Bill to incorporate a large number of branch lines, which were set out in the schedule to the Bill, was thrown out by this House. In 1924 a large number of Bills for the construction of these branch lines were brought in separately. A number of these Bills, on which according to the Estimates there yould have been a total expenditure of $12,249,000 were thrown out. I will give the reporter a statement of these to show what happened at that time and in the following year, and showing a total saving to the country through the non-construction of these railways of $11,634,000:

During the Session of 1924 the following Branch Lines Bills were rejected by the Senate. The estimated cost of these lines was:

Sunnybrae & Guysborough..	$ 3,500,000
Rosseau & Laurent..	1,000,000
Turtleford Line..	2,313,000
Kelvington Line..	200,000
Nipawin Line..	360,000
Radville, Bengough & Ritchie..	3,706,000
Lloydminster Line..	1,170,000
	$12,249,000

During the Session of 1925 Bills for the construction of the Bengough Line and The Turtleford Line were again introduced and a provision was contained in each of the Bills that part of the cost of construction was to be provided from certain trust funds to the credit of the Province of Saskatchewan.

In the case of Bengough Line, the Bill of 1925 reduced the mileage from 115 miles to 27 miles and the cost from $3,706,000 to $945,000, and, of the $945,000, $400,000 is provided from the Trusts funds. Instead of the National Railways providing $3,706,000, as called for under the Bill of 1924, the railway, under the 1925 Bill, provides $545,000, a reduction of $3,161,000.

In the case of Turtleford Line, the Bill of 1925 provided for construction of 67 miles at a cost of $1,871,000, as against 102 miles in the 1924 Bill at a cost of $2,313,000. To construct the 67 miles called for under the Bill of 1925 the sum of $801,000 is provided from the Trust funds. In this case the burden of the National Railways was reduced by $1,243,000.

The action of the Senate in this matter of branch lines construction resulted in a saving of $11,634,000.

Of the Bills that did pass this House there are two which we amended, requiring the Canadian National Railway and the Canadian Pacific Railway to get together to see if they could not by means of a joint arrangement save some money to the country—I refer to the Kingsclear and Vanceboro line, the estimated cost of which was $2,123,000, and the Kamploops-Kelowna branch on which it is estimated by Government officers that there has been a saving to Canada, through the arrangement entered into, of $100,000 a year, which capitalized at five per cent would amount to $2,000,000. This statement also I will hand to the reporter:

Sums Saved by Joint Agreements with C.P.R.

Kingsclear and Vanceboro Branch Lines— Estimated cost, $2,123,000.

Under the provisions of this Act negotiations were entered into with the Canadian Pacific Railway and are now concluded whereby a joint section agreement has now been made which gives running rights to the Canadian National Railways over the tracks of the Canadian Pacific Railway between Fredericton and Vanceboro, thus avoiding the necessity and also invalidating the construction of the line authorized under this Act. The tracks of the Canadian Pacific Railway do not actually run into Vanceboro, but terminate and join with the tracks of the Maine Central at the middle of the bridge across the St. Croix River, the centre of which stream is the international boundary between Canada and the United States of America. In order to be able to reach and use the freight terminals of the Maine Central Railway in Vanceboro for interchange of traffic with them, it was necessary to negotiate a joint section agreement for the use of

these facilities. Such an Agreement has now been practically concluded, although the Agreement was not signed by the end of the year 1925.

Kamloops-Kelowna Branch Line—Estimated cost, $2,236,000.

As reported last year negotiations were entered into with the Canadian Pacific Railway and during 1925 were concluded, resulting in an agreement whereby the Canadian National will use the tracks of the Canadian Pacific between Kamloops and Bostock, about 11 miles, and between Armstrong and Vernon, about 14 miles, and the yard track belonging to the Canadian Pacific Railway in the town of Kelowna and the Canadian Pacific will use the tracks of the Canadian National between Vernon and Kelowna, about 34 miles, and between Vernon and Lumby, about 15 miles, thus fulfilling the wish of Parliament to avoid duplication of lines and giving the district served the benefit of the two railroads.

Annual saving, $100,000.

From this it will be seen that through the interference or the assistance of the Senate, whichever you choose to call it, there has been a saving of $15,000,000 or $16,000,000.

I am anxious that this information should go upon the records of this House, because it shows a saving that has been effected without any injury to the public service. In the last two cases, as a matter of fact, the service is better than it would have been if the roads had been built independently.

Hon. Mr. DANDURAND: Honourable gentlemen, I should have preferred that my honourable friend had drawn the attention of the Senate to these matters by way of a notice, which would have allowed me to examine into the statement which he has prepared. I would be the last to detract from what has been done by the Senate in improving Bills coming from the other Chamber; but if I had had an opportunity of going through the list I probably would have seen the names of lines that have not been built. I am not in a position to say whether or not those lines are a necessity to-day in the regions where there was at the time a demand for them. I may say that we gave all these Bills considerable attention, and before now I have had occasion to commend the work of the Railway Committee in going so thoroughly into them. I hope that the practice established then will continue to be followed in this Chamber when further railway construction matters are brought to our attention.

When the Kamloops and Kelowna Bill came before us we decided in Committee to report the Bill in order to give some power to the Canadian National Railways to negotiate with its rival, the Canadian Pacific Railway. I do not now remember exactly what we did, but my impression is that we passed the Bill.

Hon. Mr. CASGRAIN: Yes, we passed the Bill.

Hon. Mr. DANDURAND: But we gave instructions to the presidents of those two railways to come together and try to harmonize their interests in such a way as to avoid the building of that line which the Canadian National wanted to run through a valley and link with the Canadian Pacific. I was not aware of what had taken place, but I am glad to find that the action of the Senate had the good effect of bringing those two railways together.

As to the Kingsclear and Vanceboro Bill there again we had considerable difficulty in coming to a conclusion, but the Senate did suggest that the two railways should come together. I am unable, however, to go through all the details.

Hon. W. B. ROSS: But those two roads have come together, and the arrangement is now working.

Hon. Mr. DANDURAND: Yes, and I think this is largely due to the action of this Chamber.

Hon. Mr. CASGRAIN: It is altogether due to our action.

Hon. Mr. DANDURAND: I remember that among those items there was one of a million dollars which was to be expended on improvements to a line running towards Lake St. John. The Senators for that district, and for the province of Quebec, suggested that that vote be suspended, because there was possibly a better way of serving that region. Instead of spending a large amount of money to get a better grade, their idea was that possibly that million could help the railway to push on and serve three or four large villages distant 20 or 25 miles from the railway; and that possibly, in view of the development of from 500,000 to 800,000 horse-power that is going on there, we might get the Canadian National Railway to electrify that part of its line, and save the million dollars from being spent on grading. I mention these facts because I think it is due to the public-spirited action of the Senators from my province who suggested the suspension of the expenditure of that million dollars. But we are still without a policy under which that million could be very usefully expended for the service of some villages which are far from the line.

Although unable to examine into the details which my honourable friend has brought to the attention of this Chamber, I think it is the duty of the Senate to try to improve the details of Bills that come from the other Chamber, and thus help in saving as much

money as possible to the country. I have had occasion to refer to an instance which the late Sir Mackenzie Bowell gave in a statement of what had been saved to the country by the Senate from 1867 to a certain date when he was addressing this Chamber; and later on I had occasion to add a chapter showing large savings to the country, and demonstrating that the interest on the capital that we had saved was sufficient to carry on the work of the Senate and meet all it expenditures forever.

PASSAMAQUODDY BAY ELECTRIC DEVELOPMENT

SECOND READING OF DEXTER P. COOPER COMPANY INCORPORATION BILL

Hon. Mr. ROBINSON moved the second reading of Bill 93, An Act to incorporate The Canadian Dexter P. Cooper Company.

Hon. Mr. McMEANS: Explain.

Hon. Mr. ROBINSON: This Bill incorporates a company to develop power on the Passamaquoddy Bay. It is an international proposition as it involves the St. Croix river. It is a new kind of development. There is now no electrical development of this nature in any part of the world, but we are fortunate that in the Bay of Fundy we have very high tides, as well as natural provision for storage of power on the Passamaquoddy Bay. Mr. Cooper an engineer who is well known, particularly in the United States, lives on Campbello Island, and for a number of years while he has had his home there, has made a study of this question of development power from the tides. He has gone into it very carefully, and finally has been advised to incorporate a company.

There are reservations in the Bill that nothing can be done until the Department of Public Works and the other departments of the Dominion Government which are interested are consulted. The company cannot take any steps without the consent of the Governor in Council, so I think every interest has been well protected.

I would move the second reading of the Bill, and would suggest that it be referred to the appropriate Committee.

Hon. Mr. DANIEL: Has the province to give permission as well as the Federal authorities?

Hon. Mr. ROBINSON: I do not know exactly how the province is interested. I think Mr. Cooper has been in consultation with the provincial Government, but I do not know just what the results of the consultation are. Of course, the province of New Brunswick is interested, as well as the state of Maine, and also the International Waterways Commission, as well as the Federal Governments of the United States and Canada, and these have to be consulted in one way or another.

Hon. Mr. DANIEL: How much is this project supposed to cost?

Hon. Mr. ROBINSON: The proposed cost of this development is between $70,000,000 and $100,000,000, and the power estimated to be developed is between 500,000 and 700,000 horsepower, or about 3,000,000,000 killowatt hours—about the same amount as is developed at present in the Canadian Niagara. When the Bill comes before the Committee Mr. Cooper will be present and will give all necessary information of a technical nature or otherwise, as the Committee may desire.

I think this is a scheme into which we can afford to look very carefully, with a view of encouraging development. It is not the only proposition of this kind that has been talked of, and this is not the first time that such a plan has been proposed. Up near Moncton, at the mouth of the Petitcodiac river, we have a somewhat similar condition, and a proposition there has been discussed. Engineers connected with the Department of Railways and Canals have gone into the matter, and I remember that a lecture was delivered at Moncton by one of those engineers, showing the feasibility of such a scheme in the Petitcodiac river, but on a smaller scale. So far as I am aware, however, no person has put money into such a proposition yet in that particular district.

The question of marketing this power is a large one, but Mr. Cooper seems to be sure that not only is it practicable that the power can be developed at a reasonable figure, but that he can find a market for the greater proportion of the power, which can be sold on very reasonable terms. He seems to be confident, also, that he can find the capital to go ahead with this construction. According to the statement he has made it will require 5,000 men four years to construct the works, and it will not only involve the development of power, but its transmission as far as Boston.

I may add that the state of Maine views this project with very considerable satisfaction, because it had a special Act providing that no power could be exported from that state. Before Mr. Cooper could proceed he had to apply to the Legislature of Maine for permission to export power. It was not given without a plebiscite. Last year a plebiscite was taken in the state, and the vote was over-

whelmingly in favour of Mr. Cooper's scheme and in favour of granting—for the first time, I think, in the history of the state—permission to export power if Mr. Cooper goes ahead with this development.

Hon. Mr. CASGRAIN: Honourable gentlemen, this is a very interesting matter, and I am surprised that honourable members did not know of it, because the plans of that scheme have appeared in the newspapers. I think I saw them very fully explained in the Montreal Star.

Passamaquoddy is a very large bay, and in it there are islands, between which there are barrages erected. I suppose we shall hear the details of the scheme when this matter goes to Committee, presumably the Committee on Railways, Telegraphs and Harbours. The details will be most interesting. It appears that they will have power continuously for the 24 hours —perhaps not as much at one time as at another, but continuous power. The water will be coming in on one side—say, the northern end of the bay—and going out, say, on the south side. That is what I gathered from the description I saw in the paper.

The idea of harnessing the tides has been rather widespread. There is talk of a similar large development on the Severn river in England. But nobody has carried the idea through yet. It may be practicable, however. This is a particularly favourable spot, on account of the very great difference of level that exists in the Bay of Fundy. I am told that the tide rises nearly sixty feet.

Hon. Mr. DANIEL: How much?

Hon. Mr. CASGRAIN: Nearly sixty feet.

Hon. Mr. DANIEL: Not down there.

Hon. Mr. CASGRAIN: Not down there? Because it is too near the ocean, I suppose. But at Joggins, where the Joggins Mines are located, it goes to very nearly sixty feet, and that is not very far from there.

Hon. Mr. DANIEL: That is away up at the head of the bay.

Hon. Mr. CASGRAIN: Anyway, with all this water rushing up the bay twice a day and coming down again, there is certainly an immense amount of power stored.

This is one of the most interesting things that have come before this House for a long time, and I would certainly like to see the Bill go to the Committee on Railways, Telegraphs and Harbours, and, if necessary, the rules, suspended, in order that it may be sent to the other House as soon as possible, so that the Bill may not fall by the way this year though we are nearing the end of the Session.

Hon. Mr. ROBINSON.

Hon. Mr. DANIEL: We have heard of it for a great many years. Why is it necessary to rush it through?

Hon. Mr. CASGRAIN: It will not need to be rushed. I am informed that it has passed the House of Commons.

Hon. Mr. DANIEL: However, I think the matter is an extremely important one, and it has to do with international relations as well as other things. I have no objection to the second reading, but the Bill will have to be examined very closely in détail in the Committee. I presume the intention is to send it to the Standing Committee on Railways, Telegraphs and Harbours.

Hon. Mr. ROBINSON: Honourable gentlemen, I do not know what the will of the Senate is, but I would suggest that this Bill be referred to the Committee on Miscellaneous Private Bills. It is not really a railway Bill.

Hon. Mr. CASGRAIN: It is a Bill that ought to be dealt with by the Committee on Railways, Telegraphs and Harbours.

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

Hon. Mr. ROBINSON moved that the Bill be referred to the Standing Committee on Miscellaneous Private Bills.

Hon. Mr. DANIEL: Railways, Telegraphs and Harbours.

Hon. Mr. DANDURAND: The honourable gentleman who has charge of the Bill can explain to the Senate why he suggests the Private Bills Committee.

Hon. Mr. ROBINSON: Honourable gentlemen, I have no objection to the Bill going to the Committee on Railways, Telegraphs and Harbours, but I thought that was not the proper Committee to which to refer a Bill of this nature, which does not deal with railways or telegraphs.

Hon. Mr. DANIEL: It relates to a harbour. It has very much indeed to do with the harbour. This is absolutely a harbour arrangement.

Hon. Mr. CASGRAIN: Certainly.

Hon. Mr. ROBINSON: I have no objection, only I thought it was not the proper Committee, as this has nothing to do with the harbour.

Hon. Mr. DANIEL: Of course, it has to do with the harbour.

The motion was agreed to, and the Bill was referred to the Standing Committee on Railways, Telegraphs and Harbours.

DIVORCE BILLS

THIRD READING

On the Order:

Third reading, Bill C5, an Act for the relief of Alice Victoria McGibbon.—Hon. Mr. Haydon.

Hon. Mr. WILLOUGHBY: A special motion has been placed in my hands by Hon. Mr. Haydon, That this Bill be not now read the third time, but be amended by substituting the name "McGibbon" for "McInnins" where it appears in clauses 1 and 2 of the Bill.

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

SECOND AND THIRD READINGS

Bill B6, an Act for the relief of Samuel Paveling.—Hon. Mr. Green.

Bill C6, an Act for the relief of John Jones.—Hon. Mr. Haydon.

Bill D6, an Act for the relief of Benjamin Rapp.—Hon. Mr. Haydon.

Bill E6, an Act for the relief of Bernard Thomas Graham.—Hon. Mr. Haydon.

Bill F6, an Act for the relief of Robert Edward Greig.—Hon. Mr. Haydon.

Bill H6, an Act for the relief of Daisie Hawkey.—Hon. Mr. Schaffner.

Bill I6, an Act for the relief of Annie Sophia Gordonsmith.—Hon. Mr. Schaffner.

Bill J6, an Act for the relief of Bertha Amelia Bertelet.—Hon. Mr. Schaffner.

Bill K6, an Act for the relief of Olive Mary Mead.—Hon. Mr. Willoughby.

Bill L6, an Act for the relief of Alice Elizabeth Blakely.—Hon. Mr. Willoughby.

Bill M6, an Act for the relief of Ethel Maud Hargraft.—Hon. Mr. Haydon.

Bill N6, an Act for the relief of Frederic Vinet.—Hon. Mr. Haydon.

PRIVATE BILLS

THIRD READINGS

Bill 20, an Act respecting The Pacific Coast Fire Insurance Company.—Hon. Mr. Crowe.

Bill 19, an Act to incorporate The Pioneer Insurance Company.—Hon. Mr. McMeans.

Bill 92, an Act respecting the Grand Orange Lodge of British America.—Hon. Mr. Robertson.

Bill 4, an Act respecting The Canadian Pacific Railway Company.—Hon. Mr. Willoughby.

Bill 5, an Act respecting The Interprovincial and James Bay Railway Company.—Hon. Mr. Gordon.

Bill M4, an Act respecting The Quebec, Montreal and Southern Railway Company.—Hon. Mr. Beique.

SECOND READING

Hon. Mr. HAYDON moved the second reading of Bill G6, an Act respecting certain patents of James McCutcheon Coleman.

Hon. Mr. McMEANS: Will the honourable gentleman kindly explain?

Hon. Mr. HAYDON: Honourable gentlemen, this is a Bill respecting certain patents of James McCutcheon Coleman, who is a resident of the city of Montreal and has a series of patents, which are set out as Patent No. 148735, granted on the 17th of June, 1913, for car construction; another one, granted on the same date, for flexible lockjoints for car bodies and trucks; and another one, granted on the 29th of April, 1913, for car construction. These patents were, according to the usual patent practice, granted for a term of six years. He failed to pay his renewal fees, and through the misadvice of his solicitors and through his own ill-health the time given under the statute for the payment of these fees was allowed to lapse. The result of the non-payment was that the life of the patents expired. He now asks in this Bill that they be reinstated.

Hon. Mr. CASGRAIN: What kind of patents are they? What does he do?

Hon. Mr. HAYDON: They are patents, some of them, for flexible lockjoints for car bodies and trucks. I do not know the particular kind of device; but I do know that in the course of my own practice as a solicitor here for twenty or twenty-five years, applications of this kind have been coming before Parliamentary Committees almost every year. I trust that the explanation will be accepted by the House and that the Bill will be referred to the proper Committee.

The motion was agreed to, and the Bill was read the second time and referred to the Standing Committee on Miscellaneous Private Bills.

Hon. Mr. HAYDON: Honourable gentlemen, in respect to the same Bill I move:

That Rules 24A and 119 be suspended in so far as they relate to Bill G6, an Act respecting certain patents of James McCutcheon Coleman.

The idea is that posting may be excused, in order that the Bill may proceed without delay.

The motion was agreed to.

THIRD READING

Hon. Mr. ROBERTSON moved the third reading of Bill H5, an Act to incorporate The Detroit and Windsor Subway Company.

Hon. Mr. BEIQUE: Before the Bill is read the third time, I beg to move the amendment that stands in my name, and which is as follows:

That the following be added at the end of section 7: (5) The company shall not commence its operations or incur any liability before a sum of at least $50,000 has been paid into its treasury, and which sum shall not be withdrawn, except for the purposes of the undertaking of the company, or upon its dissolution.

This Bill provides for the construction of a tunnel which, according to the engineer who appeared before the Committee, is to cost some $12,000,000. The capital is to be divided into no-par-value shares, which may be allotted as decided by the Board. This opens the door to the company commencing operations and incurring liabilities when there is nothing to meet them. In legislation of this kind it is usual to guard against that by providing for a reasonable amount of money being put into the company before any liabilities are incurred. Before any railway company can commence operations ten per cent of the authorized capital must be subscribed.

Hon. Mr. REID: Would it not be well to have a clause in the Bill stating that the work must be commenced and completed within a certain time?

Hon. Mr. BEIQUE: Clause 21 makes provision for the commencement and completion of the work.

Hon. Mr. POPE: I would like to ask the Leader of the Government if we did not have an application before us a year or two ago for the same undertaking?

Hon. Mr. SHARPE: Last year.

Hon. Mr. POPE: I object to the third reading of the Bill until we know whether or not there are charters already existing. My information is that there are—it may not be correct—and in that event I object to the third reading.

Hon. Mr. ROBERTSON: I think the honourable gentleman is misinformed if he is of the opinion that there is an existing charter for the construction of a tunnel. There was an application made at the last Session of Parliament, but the charter was not approved. When the application was renewed this year, as I understand it, steps were taken to ascertain whether the interests that opposed it last year were still opposed to it, and the information submitted to the Railway Committee indicated that the parties who objected to the granting of the charter last year have this year withdrawn their objection and have, by way of resolution, endorsed the application.

Hon. Mr. ROBERTSON.

Hon. Mr. POPE: With that explanation I am satisfied.

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

SOLDIER SETTLEMENT BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 17, an Act to amend the Soldier Settlement Act, 1919.—Hon. Mr. Dandurand.

Hon. Mr. Robinson in the Chair.

On paragraph (e)—District Arbitration Committees:

Hon. Mr. DANDURAND: Honourable gentlemen, when we adjourned the study of this Bill we were dealing with this paragraph (e), which aims to create District Arbitration Committees for the arbitration of claims which may be made for the revaluation of lands purchased from the Soldier Settlement Board by the soldiers. We adjourned it with the idea that some less cumbersome proposal might be suggested to the Senate. It was represented that there would be hundreds of these Arbitration Committees appointed throughout the country, and in view of the fairly general representation from members of this Chamber that the machinery should be simplified I agreed to adjourn the further consideration of the Bill. I would now ask if any member has thought of a more simple system than the one proposed in the Bill.

Hon. Mr. GILLIS: Did the honourable gentleman give any consideration to the proprosal I made the other night in the matter of interest? I think that would give the solution—to make an adjustment of the interest on the advances made for land and equipment. I understand the soldiers are now paying 5 per cent, and when their accounts are in arrear they are charged 7 per cent. I think the original loans advanced to settlers would run from $4,000 to $7,000. With the payments spread over 25 years the interest amounts to more than the original principal or loan granted for land and equipment.

As I said the other night, there has been a considerable agitation among the soldier settlers for an adjustment of the interest charged from the very beginning. If this could be arranged it would not involve any expenditure for readjustment such as is outlined in this Bill, and I believe by reducing the interest the Government could suceed in satisfying the settlers much more easily than under the proposed plan of revaluation. I think the Government should take that suggestion into consideration. There is a general desire among the settlers that some-

thing of that nature should be brought about, and I am satisfied it would be better for both the Government and the soldier settlers. I trust that the honourable leader of the Government will give the matter some consideration.

Hon. Mr. DANDURAND: Does the honourable gentleman suggest that a certain amount of interest be deducted from all the loans?

Hon. Mr. GILLIS: Of course, each case must stand on its own merits; but what I suggest is that instead of charging 5 per cent the rate should be reduced to 2½ per cent. Half a loaf is better than no bread. I would like to see all the interest wiped out, so that the only charge would be the amount of the principal advanced for land and equipment. That plan would probably not involve any more expense to the country than the machinery that is provided in this Bill, together with the reductions that will be made in the cases that are adjusted.

Hon. W. B. ROSS: At one time to-day I thought that the suggestion made by the honourable gentleman who has just spoken might perhaps solve the difficulty, or might be suggestive of something else that would settle it. I thought that perhaps the simplest solution of the whole matter would be to pass a short Act making a reduction of 25 per cent all along the line to those men who had fallen down, but who wished to go on, and a refund of 25 per cent, of course, to those who had made good. But I have been disabused of that notion. I had some conversation with one of the officials, and I see now that we will not understand this Bill completely unless we get it into Committee with one or more of the officers of the Soldier Settlement Board before us. I do not know that I understand the Bill yet, though I know more about it than I did.

We cannot treat these soldier settlers as a class. I had thought we could get clear of the enormous cost we are liable to incur in making these individual valuations in the way suggested, for we must consider that we may have as many as 11,000 applicants, and 11,000 Boards—because every applicant might have his own arbitrator—and I do not know where we would land.

Hon. Mr. BELCOURT: The honourable gentleman speaks of 25 per cent. Does he mean 25 per cent of the original price?

Hon. W. B. ROSS: Yes; you make a bargain for $4,000, and we will cut you down to $3,000 all along the line. I thought of that plan, but I am now satisfied that the problem will have to be solved in a different way, because some settlers got good lands and some got bad lands. Then there are other complications, because some men have been dealing with the lands, making leases or giving mining rights, or oil rights, and that sort of thing. I think the best thing to do is to send the Bill to a Committee, and bring before us the men who know about this question and can tell us just exactly what are the facts up to date.

Hon. Mr. BELCOURT: We are in Committee now.

Hon. W. B. ROSS: Yes, but I suggest getting the Bill to another Committee where we can call witnesses.

Hon. Mr. WILLOUGHBY: I do not see any provision in this Bill for any mutual arrangement between a soldier settler and the Board, or the Board that would be. The Bill contemplates an arbitration in every case.

Hon. Mr. DANDURAND: When the Bill was introduced, as coming from the Department, there was that provision, but it was struck out in the other chamber.

Hon. Mr. BELCOURT: Does my honourable friend not think that that is implied?

Hon. Mr. WILLOUGHBY: I do not think there is any provision for giving legal effect to an agreement. The Bill proposes to deal in a generous way with the soldier settlers, and I think it would be inclined to deal in a generous way, and that in a large number of cases there would be no necessity for an Arbitration Committee at all. I think we would be encountering a huge expense under the proposed plan, and that we would get better satisfaction for the soldiers, and a better system, by the appointment of a judge. He stands before them in all matters between litigants and the judgment of a single judge is usually accepted. Therefore we might consider the appointment of a judge to act as sole arbitrator.

Hon. Mr. DANDURAND: Would the honourable gentleman suggest that by an Order in Council a judge in each province should be authorized to hear those cases? When the Bill came before the other Chamber that question was discussed at length, as to the appointment of one judge, or an arbitral committee of three members.

Hon. Mr. BEIQUE: This is a very important matter because of the large amount involved, and the machinery will be very

expensive. I think it is our duty to examine carefully into this Bill. There is no idea of obstructing the Bill but we should pass it only with the proper knowledge of its details. I think the suggestion made by the honourable leader on the other side (Hon. W. B. Ross) should commend itself to this honourable House. It might be referred to a Committee where we could hear the representatives of the Board, and have proper information on which to form a sound opinion.

Hon. Mr. McMEANS: I think there is provision in the Judges Act to prevent judges from acting in arbitration proceedings. I do not know whether that applies to the county court judges, but it does to the superior court judges. I doubt whether it would be wise to have judges on these Boards. The judge has to be paid for his work, and he would have to be taken away from his other duties, which occupy a great deal of his time. If the Bill is referred to a Committee we shall have more information.

Hon. Mr. WILLOUGHBY: I think the judge, under our Act, would only get his moving expenses.

Hon. Mr. DANDURAND: Yes. I do not think the judges are prohibited from sitting, but my impression is that they are prohibited from receiving fees.

Hon. W. B. ROSS: Yes, but if we passed a Bill requiring a judge to do this work it would override the old Act. I intended to move, at some stage in this matter, that an Exchequer Court judge or the Exchequer Court should be the arbitrator.

I would move now that the Committee rise and report progress, and then I can move that the Bill be referred to the Banking and Commerce Committee, which I think is the must suitable to deal with this matter.

Hon. Mr. DANDURAND: I have no objection to referring this Bill to any Special Committee, or one of our Standing Committees, and I agree to the proposition; but I draw the attention of the Senate to the very great difficulty of making a straightline cut either in interest or in capital. I would remind the Senate that the other day I stated that a questionnaire had been sent to the southern section of Alberta in order to learn the situation of each purchaser or borrower, and 40 per cent of them answered that they were satisfied with their purchases. A large number are not only satisfied, but have made enough money to pay their interest on the capital, and some of them owe nothing.

We must not forget that the idea of this Bill is to try to retain on the land 11,000 soldiers who are now there. All of these 11,000 do not intend to leave, but if 50 per cent are becoming more and more discouraged, and it is seen by an examination of their accounts that they been unable to maintain their payments either of capital or of interest, and they claim a reduction because, in their opinion, they paid too large a sum for the land, then those cases, and only those cases, should be examined into.

I think that we threshed out fairly well the general principles of the Bill, and we balked at the costly machinery provided in the Bill, and the appointment of a number of Arbitration Committees. Now we may review the whole situation in a Committee, with representatives present from the Department and the Soldier Settlement Board; but I still insist that honourable members of the Senate should try to devise a more simple scheme than the one which they believe to be too costly and too difficult of application. Perhaps an Arbitration Committee or an arbitral court for a province—or two such Committees according to the importance of the province—would be satisfactory. I would suggest, then, if it is somewhat indifferent, that we accept the idea as it comes from the Commons regarding the formation of that Committee. Most of those interested in this Bill— and they were numerous—came to the conclusion that there would be greater satisfaction with the soldiers if a small Committee of three were to examine into the cases. If on the other hand the Senate favours the appointment of one judge, or a judicial tribunal of two or three judges, it will be for the Senate to take action accordingly.

I move that the Committee rise, report progress and ask leave to sit again.

Hon. Mr. McMEANS: Just a moment. Probably the honourable leader could give us information on this point, with respect to the judges. A great deal has been said about judges being unable to receive pay. Is there any machinery by which you can force a judge to act on an arbitration if he is not to be paid for doing so? Is there any judge in the country who would take an appointment if he were prevented from receiving pay for it? Suppose the judge says, "No, I do not want a job of that kind." I think the probability is that that is what he will say. Where are you going to get the judge if you do not pay him? You cannot compel him to act. There is nothing in the Bill which says that the judge must act. Is he going to put in a month or so on this work, to the neglect of his other duties, if he cannot receive any consideration for it?

Hon. Mr. DANDURAND: I do not see why a judge should select his own work. He is at the disposal of the public, and if his expenses are paid I do not know what difference it makes to him whether he works at cases of a certain kind or at others.

Hon. Mr. McMEANS: It make a big difference.

Hon. Mr. DANDURAND: Of course, if he is asked to travel all over the province his expenses must be paid by the Federal Treasury.

Hon. Mr. DANIEL: I thought it was the province that directed the work of the judge. I thought that all we did here was to appoint him and pay him, and that the province was the authority that stated what he should do. I do not know; I am not a lawyer; but I have had that idea.

Hon. Mr. BELCOURT: That is so.

Hon. Mr. McMEANS: I asked the question merely in order that when the Committee met the honourable gentleman would be able to give them that information.

Hon. Mr. DANDURAND: We are sending this Bill to the Committee on Banking and Commerce. I shall look into the question.

Hon. W. B. ROSS: I think perhaps the Banking and Commerce Committee is not the proper one to deal with it. I have just been looking at the names of the members. There are some honourable Senators returned soldiers and others, who are not members of that Committee, and who ought to be on any Committee dealing with this Bill. I think this Bill will require a special Committee. If the honourable gentleman will let the matter stand until to-morrow, I will submit to him a list, and a special Committee can then be appointed.

Hon. Mr. BEIQUE: I thought it was suggested the other day that we should have figures as to the number of cases in each province.

Hon. Mr. DANDURAND: Not the number of cases. We do not know what cases will arise.

Hon. Mr. BEAUBIEN: The possible applications.

Hon. Mr. DANDURAND: We can know only the number of persons holding land, and can divide the 11,000 possible claimants.

Hon. Mr. BEIQUE: It was understood that we were to be informed of the possible cases in each province.

Hon. Mr. DANDURAND: That information will be laid before the Committee.

Hon. Mr. BEIQUE: And classified as much as possible by districts or counties.

Hon. J. D. REID: Honourable gentlemen, before the motion is put I would like to suggest an amendment for consideration by the Committee. I do not raise any objection with regard to those persons who will benefit from the Bill as it now stands, but there are several classes who receive no benefit whatever and who are in my opinion just as much entitled to consideration. In clause 68 as it now reads there may be a great deal that would not be fair to some settlers. It refers, for instance, to a settler "who has not assigned his interest in his land." A settler may have assigned to a son or some other member of his family who is to carry on the work. There may be a good many cases of that kind, and in such cases there would be no benefit whatever from that clause. Then there is the settler who has paid in full for his farm, and paid perhaps a great deal more than it is now worth. Such a settler ought to receive some advantage too. In fact, I would like to see the Bill cover all who took part in the war and who settled on the land.

I intended moving, if we had proceeded with the Bill this evening:

That the words "purchased or" be added after the word "has" in the third line, and that all the words commencing with the word "who" in the forth line up to and including the word "Board" in the seventh line be struck out.

Then the clause would read in this way:

Notwithstanding anything in this Act, the Board is hereby empowered upon the application of a settler who has purchased or agreed to purchase any land from the Board, and where there has been a decrease or depreciation in the market value of such land not the result of neglect or mismanagement on the part of the settler, to make provision for re-valuation of the said land subject to the following conditions.

The Hon. the CHAIRMAN: I would call the honourable gentleman's attention to the fact that that subsection has been stricken out and a new one substituted.

Hon. Mr. ROBERTSON: Honourable gentlemen, before the Committee rises, and for the information of whatever Special Committee may be selected, I would like to draw the attention of honourable gentlemen to some facts which have come to my notice and which would rather indicate that it would not be altogether practicable, or just to all concerned, to adopt the suggestion of my honourable friend from Saskatchewan (Hon. Mr. Gillis) with reference to a reduction of interest flatly applied. I have in mind a number of cases in the province of Ontario, where soldier

settlers have succeeded admirably: they have their payments up to date, and, I think, have no complaint. That is probably true in various districts, but in other districts it is not true. I well recall being during the past year on Vancouver Island and about sixty miles north of the town of Nanaimo where a group of about seventy soldier settlers had ten-acre plots and were all supposed to be raising chickens for sale and to derive enough income to make their payments and live. Any honourable member of this House visiting that particular locality and seeing some of the ten-acre plots upon which those settlers had, with assistance, erected little homes and put a little stock, such as a cow, a pig or two, etc., would immediately come to the conclusion that it was utterly impossible for them to succeed. The soil could scarcely be called gravel; it was almost too stony for that. Huge pine trees grew here and there over this gravelly, rocky soil. There certainly was plenty of grit there for the chickens to make shells for their eggs, but there was nothing else for them, and it was impossible to raise on some of those lots anything to feed a chicken at all. To my mind, a number of the settlers ought to be taken away from those plots and placed where they would have a chance to succeed.

Hon. Mr. LYNCH-STAUNTON: Where the grass would grow.

Hon. Mr. McMEANS: Send them down to Manitoba.

Hon. Mr. ROBERTSON: Therefore, to my mind, to apply any yardstick equally to all would be unfair, as has been pointed out by the honourable leader on this side (Hon. W. B. Ross), who came to that conclusion for probably different reasons.

Hon. Mr. GREEN: May I interrupt the honourable gentleman for a moment? Is he not talking about the provincial proposition out there? I do not think it is the federal arrangement at all. The province entered into an arrangement with those men, and they have had some difficulties in regard to it. I do not think the cases to which the honourable gentleman refers are those of settlers under the Dominion scheme.

Hon. Mr. ROBERTSON: I am inclined to think that my honourable friend is not referring to the same locality. Some fifty-five of these returned soldiers sought a conference with myself and a gentleman who was with me, and they urged for a re-valuation of their properties by the Federal Government. It was really pitiful to listen to some of the tales that those boys told us in the little hall in which we were assembled that night. They had asked us to come there to meet them and hear what they had to say. This is the first opportunity that has presented itself to me to bring the matter to the attention of the Government.

Hon. Mr. PLANTA: Would the honourable member mind telling me the name of the district?

Hon. Mr. ROBERTSON: It was near Cumberland. I forget the name of the village.

Hon. Mr. PLANTA: On the other side?

Hon. Mr. DANDURAND: Courtenay?

Hon. Mr. PLANTA: I am inclined to think the honourable member for Victoria (Hon. Mr. Green) is correct.

Hon. Mr. ROBERTSON: I do not recall that that particular question was raised by them, but I do know that these returned soldiers did apply for a conference with the honourable member who sits in the other House for Burrard and myself, who happened to be visiting that locality at the time, and they urged for re-valuation of the land, for reasons which were obvious. It undoubtedly is true that here and there throughout the country soldier settlers placed by the Federal Government find themselves in a similar predicament to-day, though probably there is no fault to be found with the officials in charge. Therefore all settlers have not an equal opportunity at the present moment, and it will be necessary to give more consideration to some cases than to others.

Hon. Mr. PLANTA: I would like to assure the honourable members of this House that the description of the land on Vancouver Island that was given by the honourable member for Welland (Hon. Mr. Robertson) does not apply to the whole of Vancouver Island.

Hon. Mr. ROBERTSON: I certainly agree with my honourable friend. Vancouver Island is destined, in my opinion, to be the retreat for many Canadians from other provinces, because of its delighful climate and the excellent soil to be found in a large portion of the Island, though not in this particular district.

Progress was reported.

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

THE SENATE

Tuesday, June 8, 1926.

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

Prayers and routine proceedings.

IMMIGRATION BILL

FIRST READING

Bill 91, an Act to amend the Immigration Act.—Hon. Mr. Dandurand.

PUBLIC LOAN BILL

FIRST READING

Bill 172, an Act to authorize the raising by way of loan of certain sums of money for the Public Service.—Hon. Mr. Dandurand.

FOREIGN VESSELS ON THE GREAT LAKES

INQUIRY AND DISCUSSION

Hon. Mr. CASGRAIN rose in accordance with the following notice:

That he will call the attention of the Senate to the question of shipping on the Great Lakes, and inquire:—

1. Are there any Norwegian vessels, or vessels of other foreign nations, plying on the Great Lakes for gain?
2. How long are these vessels allowed to remain in Canadian waters, at one time, without paying duties?
3. Are there any customs regulations permitting these vessels to carry on business in this country without paying duties?
4. Do these vessels employ Canadian seamen?
5. Do these vessels contribute anything to Canada's treasury? If so, how much?
6. Have these vessels paid duties?
7. Are the supplies (ship's stores) for the maintenance of the crew of these vessels dutiable?
8. If so, for what amount and for how long?
9. Is it the intention of the Government to stop this discrimination against our Canadian Mercantile Navigation Companies paying taxes, licenses, fees, and subject to Canadian regulations; also paying the higher wages to Canadian labour, using Canadian supplies, and paying, moreover, income tax on their profits, if any?
10. Is it the intention to tax these foreign vessels to put them on an equal footing with our own Canadian bottoms?

Hon. Mr. DANDURAND: Stand.

Hon. Mr. CASGRAIN: Honourable gentlemen, I gave notice of this inquiry last week, but through some mistake, of which I am not guilty, the answers are not ready as they should have been. This is, however, not merely an inquiry. I have given notice that I will call the attention of the Senate to the question of shipping on the Great Lakes.

The first inquiry is:

Are there any Norwegian vessels, or vessels of other foreign nations, plying on the Great Lakes for gain?

Since writing that, I have learned that recently there are some German vessels also. I want to say to this honourable House that there are many foreign vessels which enter Canada in the early season and spend the entire year of navigation trading on the Great Lakes for gain; and these same vessels pay absolutely nothing—contribute not a penny—to the Canadian Treasury. These vessels bring in supplies that are supposed to last them throughout the year, and, so far as my information goes respecting the Great Lakes, they do not pay any duty. I understand that in the eastern part of Canada the Collector of Customs has been instructed to collect on any extra supplies that are in the ships—those plying between Cape Breton and Montreal, for instance. These foreign ships sneak up our canals which are maintained at the expense of the taxpayers of this country. They ply their trade the entire season of navigation, which means the year, without paying anything, either for license fees or for inspections, and they are absolutely free from any regulation made by our Government. Some of the regulations are rather onerous on the owners of Canadian vessels; yet the people owning these foreign ships are absolutely beyond the control of the Minister of Marine, and they are even beyond the control of the Minister of Customs. I am informed that by Section 71 of the Customs Act the Department of Customs could stop the introduction of goods into this country in that way. There is a probe being made elsewhere, costing hundreds of thousands of dollars, and getting nowhere, so far as we know; but here is something that could be done by the Collectors of Customs at all Canadian ports to which these ships go. The Collector of Customs should go aboard the ship and find out how it is that these people can ply their trade without buying anything in this country.

Hon. Mr. REID: Would the honourable gentleman please read that section if he has it before him? I would like to hear it.

Hon. Mr. CASGRAIN: Read what?

Hon. Mr. REID: Section 71 of the Customs Act.

Hon. Mr. CASGRAIN: I have not the Section before me, I am sorry to say. It appears that if that Section were enforced the abuse of which I am complaining would cease.

Then there is another question—and I am sure the ex-Minister of Labour who sits in this House (Hon. Mr. Robertson) will join with me in deprecating the state of affairs:

those foreign vessels do not employ any Canadian seamen: Canadian labour is absolutely ignored. They carry their labour from their own ports sometimes from Germany, but mostly from Scandinavian countries, and they pay not a cent of wages to Canadian labour.

I desire to lay upon the table of this House a petition from the Dominion Marine Association. I suppose that every member of this House has like myself, received a copy. It is accompanied by a letter which I would ask to be allowed to read—it is rather short:

Sir:

The enclosed memoranda cover the three main subjects upon which the Dominion Marine Association on May 21st consulted members of the Cabinet at Ottawa.

While they provide a rather detailed outline of the subjects they deal with, the Association will be happy to answer any question which may arise in your mind in reading them.

Canada's Inland Marine supports some 20,000 men, which on the census basis means some 100,000 Canadians. This is directly. Through the necessities of life these 100,000 support many thousands more in industry and in commerce; while the boats themselves, in building, in equipment, and in maintenance, are a further material factor in our industrial life.

This office will appreciate your inquiries upon any phase of the industry and the situations confronting it, and the Association asks your sympathtic interest in and support for the Canadian Mercantile Marine.

Most respectfully yours,

(Signed) Robert Lipsett,
Manager.

I beg leave to lay this petition on the Table of the House.

Hon. Mr. McMEANS: I suppose what the honourable gentleman wants is protection. Is it not?

Hon. Mr. CASGRAIN: Certainly; most decidedly.

Hon. Mr. McMEANS: The honourable gentleman is not a free-trader.

Hon. Mr. CASGRAIN: The next question I ask is:

How long are these vessels allowed to remain in Canadian waters, at one time, without paying duties?

Hon. Mr. BELAND: Before the honourable gentleman proceeds to his second question, may I ask him whether the ships to which he has referred, coming from a foreign to a Canadian port, are not subjected to the marine dues which are collected from every foreign ship calling at a Canadian port, at the rate of two cents per ton for three trips each season?

Hon. Mr. CASGRAIN: That is so: two cents per ton; that is for a trip. Those foreign ships make only one trip in the season. They come in with any cargo they can get and proceed to the head of the Lakes. They should be turned around and come back and get out again. What I am complaining of is that they do not get out again: they stay on the Great Lakes in competition with Canadian ships, and they do not contribute.

Hon. Mr. DANDURAND: Do they ply their trade between Canadian and American ports, or do they simply do a Canadian coastwise trade?

Hon. Mr. CASGRAIN: They ply their trade between Canadian and American ports, and, being foreign ships, they enjoy certain privileges which I doubt very much are given to Canadian ships. So the people of Canada are actually permitting what no other civilized nation would permit. There is a duty on ships, except British ships, coming into the country; and lately, I am told, an exception has been made by statute—and I think it is a proper exception—in favour of such German ships as were taken over by British owners as reparation. Since those ships have become British-owned, I think it is right to except them, although other people object to that exception. I think that the minute they become the actual property of British owners and are of British register they should be entitled to come in free of duty. But as to German ships that have not been taken over, or Norwegian ships, or ships from other Scandinavian countries, why should they be allowed to come into Canada without paying anything at all?

The ex-Minister of Labour is good enough to pay attention to what I am saying. Those ships employ no Canadian labour. Their labour is signed before they leave, and if anybody quits that ship he leaves his wages behind him. I do not discuss what hours they work or how much they get; that is a different question; but the fact remains that Canadians are deprived of those wages.

It seems to me that this House, or the Government, might devise some means by which these ships, if they do not pay duty, would pay at least so much a day for trading in Canadian waters. Mark you, honourable gentlemen, the people who own ships in Canada have to pay taxes. No matter how much the foreign ship earns, it pays no income tax, whereas the Canadian ship must pay income tax on its profit. The foreigners are free from regulation. There is, for instance, the Canadian regulation obliging Canadian ships to have so many boats, according to the number of men on board. Some ships are obliged to have radio. The foreign ships are not required to have any. They go absolutely scot-free. They are not

amenable to any of the Canadian regulations. I think it is sufficient to bring this matter before this House and the country in order to have it dealt with and to compel those foreigners to make the proper contribution. They use our canals, which, as you know, cost a couple of hundred millions, and for the maintenance of which we are taxed.

Hon. Mr. BEIQUE: May I ask the honourable gentleman this question—whether the treatment given to vessels of the United States is not the same as the treatment given by the United States to Canadian vessels plying between Canadian and United States ports?

Hon. Mr. CASGRAIN: I am very glad that the honourable member for De Salaberry brought up that question. There is the sore point: the treatment is not the same. The treatment we receive from the United States is not at all the same as the treatment we give. For instance, towards the end of the season it often happens that by an Order in Council American vessels are allowed to trade from one Canadian port to another Canadian port. Canadian vessels are absolutely denied a similar right. I defy anybody to say that the United States has ever granted us such a privilege. Furthermore, if an American vessel is forced to get any repairs done on the Canadian side, as soon as it returns to the American side it is charged not only duties, and very high duties, on the repairs done in Canada, but also rental of the dry-dock in which the repairs were made. The owners are charged so much that they are discouraged, and any American ship that can posssibly limp across to American waters will go to get its repairs done on the American side. It is not the same at all with our regulations. I am very glad the honourable gentleman brought up that question, because that is the one sore point.

Hon. Mr. DANDURAND: How do the Americans treat those foreign vessels that ply in the Lakes which are jointly American and Canadian?

Hon. Mr. CASGRAIN: They treat them better than they do Canadian vessels. But their ports during the season of navigation are mostly Canadian ports, and the Americans would not allow them to carry on as they do with us.

I would like to know how long these vessels are allowed to remain in Canadian waters at one time without paying duties, since there are duties to be paid. You know very well that if you bring in an automobile from the other side, there are a certain number of days during which it is allowed in free, but after that period you must pay duty if it remains in the country. Those vessels, as I have said, manage to remain the entire season.

My third question is:

Are there any Customs regulations permitting these vessels to carry on business in this country without paying duties?

The fourth is:

Do these vessels employ Canadian seamen?

They do not, as I said a few moments ago.

Do these vessels contribute anything to Canada's Treasury? If so, how much?

We shall hear the answer to that inquiry with great interest. Just realize, honourable gentlemen, what it means to the owners in this country. Here is a vessel coming from, say, a German port. It enters here and it enjoys all the privileges, and under conditions that are much more favourable than those of Canadian vessels. The men are all signed up. There can be no strike on those vessels, for if the men struck they would only lose their pay. They are paid only if they come back, and, as those men have no money, they have no other way of getting back to their own country. Even though they may not be satisfied with the treatment they receive, they must stay on the ship until it returns to their home port, and then they are paid off. This is a matter with which, I believe, the labour unions should concern themselves, and I would be with them in that respect.

Are the supplies (ship's stores) for the maintenance of the crew of these vessels dutiable?

These supplies should be dutiable after a certain time. I understand that a vessel coming in even as far as Port Arthur would need supplies for the return trip and also a certain quantity of supplies in the event of emergency, but the amount should be limited and it should not be as much as would be required for an entire season's work. There should be some regulation by the Department of Customs as to the length of time these supplies should last.

My ninth question is:

Is it the intention of the Government to stop this discrimination against our Canadian Mercantile Navigation Companies paying taxes, licenses, fees, and subject to Canadian regulations; also paying the higher wages to Canadian labour, using Canadian supplies, and paying, moreover, income tax on their profits, if any?

The tenth is:

Is it the intention to tax these foreign vessels to put them on an equal footing with our own Canadian bottoms?

Honourable gentlemen, I hope that this matter will be taken into serious consideration by the Government and that the abuse will be remedied in the near future. It is a crying abuse. The Marine Association protested against it on the 21st of May, and, as far as we know, their protest has been pigeonholed without anything being done. This is a grievance which, in the interest of all Canadian owners, should be redressed at the earliest possible moment. The foreign ships should be asked to pay. If they do not pay the regular duty, and if they are needed, say, on the Lakes, then let them pay so much a day, a rate equivalent to at least some part of the duty that they ought to have paid.

I thank the honourable members of this House for their attention.

Hon. Mr. ROBERTSON: May I ask my honourable friend one question? I understood him to say—and I think it is true—that at certain seasons of the year the existing regulations are sometimes waived and American vessels plying between Canadian ports on coastwise business are given a privilege that is denied our American friends during the rest of the year—that they are allowed to engage in coastwise trade without any special permission?

Hon. Mr. CASGRAIN: My honourable friend may remember—perhaps he was a Minister of the Government at the time—that an Order in Council was passed allowing American vessels to ply, say, from Port Arthur to Port Colborne. That, in one way, was a very wrong thing to do, because it simply caused congestion at Port Colborne and Canadian vessels lost a whole trip by the fact that American vessels were standing there to be unloaded and had the right of way. That is all that we got for it. Then, I understand, those other foreign vessels would come under the same regulations; for, after all, American ships are also foreign vessels. But why should vessels not paying duty, having no right to do business without paying, do these things without regard to Canadian regulations? All those regulations are very onerous, and why should they be able to continue these practices to the prejudice of the Canadians?

Hon. Mr. REID: Honourable gentlemen, so far as I am concerned, I am in sympathy with what the honourable gentleman has stated. If it were possible to have Canadian trade, say from the West, carried exclusively in Canadian vessels, I am sure that is what every honourable gentleman in this Chamber would wish. The honourable gentleman states that Norwegian vessels are carrying grain during the whole season between Canadian ports. If so, it must be under some law passed by this Parliament. Under our Customs Act they would not be allowed to do so. I have not that Act in my hands, and have not had time to look it up; but if those Norwegian vessels are doing that, I think I can explain how they may be doing it. It must be under what is called the Favoured Nation Treaty with Norway. Great Britain makes a treaty with Norway, containing a clause allowing trade between two ports in the same country, say by English vessels in Norway, and by Norwegian vessels in England; and if we in Canada have accepted that treaty, of course those vessels have a right to trade in Canada. It is possible that by that Treaty, to which Parliament agreed, we have given that permission. If so, the only way to remove the difficulty would be to withdraw our acceptance of that Treaty.

Of course, the honourable gentleman goes farther than refer to Norwegian vessels. He speaks of vessels of other foreign nations, which of course would include the United States. I am fully in accord with all he has said in regard to having grain carried in Canadian bottoms; but he knows that perhaps the largest portion of our traffic in the West is carried from Port Arthur to Montreal in American vessels, because they are large vessels, with a capacity of 300,000 or 400,000 bushels, that can carry grain cheaply to Buffalo or Port Colborne. Such vessels used to pass through the Welland Canal, but cannot do so now. An American company has two classes of ships—one a Welland Canal ship and one of the 300,000 or 400,000 bushel class. The larger ships go from Buffalo to Port Arthur, where they take on 300,000 or 400,000 bushels of grain and return to Buffalo with the cargo. Does the honourable gentleman want to stop that?

Hon. Mr. CASGRAIN: No, you cannot stop it.

Hon. Mr. REID: Then the Canadian grain is taken out of the elevator in Buffalo, put in another American vessel, and taken to Montreal. In that way our Canadian traffic is carried entirely from a Canadian port to another Canadian port in American vessels.

Hon. Mr. CASGRAIN: Yes, that is perfectly right.

Hon. Mr. REID: We cannot stop that. On the other hand, if a Norwegian vessel wants to operate on the Great Lakes and can operate at a lower rate, and takes a cargo of 75,000 bushels to Buffalo, it has a right to carry it from Port Arthur to Buffalo, or from Buffalo

to Montreal. Or it can do better than that; it can arrange with those large vessels to bring the cargo to Buffalo, and from there it can take it to Montreal.

Hon. Mr. CASGRAIN: Exactly.

Hon. Mr. REID: So this difficulty is not so easily straightened out as the honourable gentleman has stated.

Hon. Mr. CASGRAIN: But I would like to ask the honourable gentlemen if it is not worth trying to remove?

Hon. Mr. REID: Yes; I was just coming to that. If it is a fact that Norwegian vessels are carrying freight from one Canadian port to another, it is the duty of the Government to stop that. I never heard that that was allowed, until the honourable gentleman stated it. It was not done when I had anything to do with the administration.

Hon. Mr. CASGRAIN: It is only three or four years old.

Hon. Mr. REID: The matter should have been left as it always has been. Perhaps the honourable gentleman who succeeded me allowed that, but I do not think he would have been guilty of it.

Hon. Mr. BUREAU: It was not done by the honourable member, nor is it done now.

Hon. Mr. REID: The honourable gentleman also referred to the privilege granted to American vessels to carry Canadian grain say from Port Arthur to Midland and other Georgian Bay ports. He complains that that has been going on for some time. Perhaps it may have been done two or three times; but the only time I ever heard of it being done was at a time when the elevators at Port Arthur and Fort William were filled up, and could not possibly take any more grain, and there were no Canadian vessels to take it away. The farmers in the West were urging that their grain should be taken to the elevators at Port Arthur and Fort William. The demand thus arose for more storage, and the only privilege I ever heard of was that American vessels, when about to leave Port Arthur on their last trip of the season, were allowed to take on a load of Canadian grain. That privilege was granted solely in order to relieve the congestion in the elevators at the head of the lakes, and it was done simply to help the farmers of the West to get that much more storage. It resulted in providing additional storage capacity of 10,000,000 or 12,000,000 bushels for the winter.

But I do not believe this Government or any other ever granted a privilege of that kind except on the occasion I have mentioned, and it was only done because it was absolutely necessary to assist the farmers to save their grain from destruction.

Hon. Mr. CASGRAIN: May I ask the honourable gentleman if he is aware that at that same time there were Canadian bottoms empty?

Hon. Mr. REID: I never heard at that or any other time, that there was one Canadian vessel without anything in it. It was only after every Canadian vessel was loaded and no more Canadian tonnage was available, that that privilege was given, and it was only done to relieve the elevators. So many elevators have been built in the West since then that I do not believe even the privilege of a single trip has been given for a number of years; and I do not think any Government would give such a privilege unless the farmers feared that their grain was going to suffer, and that they could not get any further storage at Fort William or Port Arthur.

I am in favour of doing everything possible to hold our traffic for Canadian bottoms. I would like to see our Canadian vessels fully employed, and more than we now have if it were possible. If the present practice comes under the Favoured Nation Treaty the difficulty can be removed by the Government withdrawing from the Treaty; I do not see any other way out, for foreign ships can carry traffic between two Canadian ports by unloading from one vessel at an American port and then loading for a Canadian port in another vessel.

Hon. Mr. TURRIFF: May I ask the honourable gentleman who is making this inquiry if I understood him to say that an American vessel could take a cargo at, say, Port Arthur, and carry it to a Canadian port in Ontario, and that the American vessel got the cargo while the Canadian vessel was standing empty at the wharf? Also, could he tell the House if the American vessel was carrying the wheat or other grain at the same rate per bushel as the Canadian vessels?

Hon. Mr. CASGRAIN: I will be very glad to take Hansard and show it to the experts, and get their answers to that question. My information is that the Canadian vessels were deprived of making one more trip because the American ships were in the way. But I will be very glad to get the answer from the experts and give it to the honourable gentleman.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, it strikes me that this discussion has either gone too far or has not gone far enough. To my mind it has not left the matter in a satisfactory situation. If I read Hansard as I have heard my honourable friend tell us this afternoon in his disquisition on this subject, I must come to the conclusion that something is going on which is not right and just—not just to our own people, and not right as regards the administration. It throws on the Government itself the imputation of allowing to go on things which are not authorized by the law. On the other hand, what is authorized by the law and by international courtesy and agreement, reciprocally considered, is perfectly proper, and should not go out to the country as being wrong and as constituting a grievance.

I wish my honourable friend had put his questions in a form that would have brought a definite answer; that is, in a motion for a return. Or, if he does not do that, the questions should have been put so that the answers would have met every one of his allegations. If those allegations are right, there is something wrong in the state of Denmark. If they are wrong, then the answers to the questions would have put the right situation before us. I think we must have a complete answer from the Government with reference to this matter so that it may go on Hansard, and may correct the wrong impression, if one has been made, or we must have a return brought down which will bring us full information, if the members of the Government are not in a position just now to give a complete and authoritative answer.

I agree with what has been said by my honourable friend who has just sat down (Hon. Mr. Reid). My remembrance of the matter is that when American vessels were allowed to transform themselves into storage elevators at the end of one season, the elevators in the ports at the head of the lakes were congested, and they took upon themselves the position of storage vessels, and thereby conferred a real benefit on the farmers who wanted to get their grain out. Nor do I believe that at that time a single American vessel was allowed to load if there was a Canadian vessel that was in a position to do that same thing. That is my impression, and I have a general idea of what was going along during my time.

This matter ought not to be allowed to rest just where it is now. We ought to have a very full answer from some member of the Government, putting the rights of the case, or have a return brought down so that we can study it for ourselves and come to our own conclusions.

Hon. Mr. CASGRAIN: We will hear from the Goverment when I get the answers to my 10 questions.

Hon. Mr. DANDURAND: Well, my honourable friend should perhaps have accepted my suggestion that his inquiry should stand. This was my answer when the notice was called. But my honourable friend insisted upon proceeding, and although he put 10 questions I think he answered four or five of them to his own satisfaction.

I do not know that there is a scintilla of evidence underlying the statements made by my honourable friend. I do not know if he has been on the Great Lakes, and has seen some of those vessels. My honourable friend says he puts questions, but he has proceeded for half an hour to answer them. I would ask honourable gentlemen and the public to suspend judgment until the answers come.

Hon. Mr. CASGRAIN: I will, too.

Hon. Mr. DANDURAND: But my honourable friend should perhaps have been patient enough to await the answers, or at all events not make his strictures or comments before the answers came when I had the questions in hand. I have not got them in hand. Now, my honourable friend has discussed the question, which is quite a large one, bearing on our foreign trade and our international laws—because the foreign vessels that are in the lakes are chiefly American vessels. They are there by right. Perhaps others also are there by right, and are obeying the laws of Canada. If they are proceeding under regulations based upon our own laws, we can of course amend those regulations; but surely vessels that are plying between Canadian and American ports are doing so in the face of two Governments, Canadian and American, and I would be very much surprised if they were doing anything illegal. I do not believe they are, and I take for granted that those vessels that come from Norway or other Scandinavian countries are on probably the same footing as the American vessels.

All these questions need to be sifted. I have not the facts in hand, but the Senate may rest assured that it will have all the answers that the Departments can furnish, and then my honourable friend can comment upon those answers in some form or other.

Hon. Mr. CASGRAIN: I am quite willing to give the honourable gentleman or the

Government the benefit of a delay until next week; but as a rule no comments are allowed upon questions, when the answer is given.

Hon. Mr. DANDURAND: My honourable friend must not forget that he commented upon a statement of facts when he knew I had not the answer in hand.

PRIVATE BILL

FIRST READING

Bill O6, an Act to incorporate The Gatineau Transmission Company.—Hon. Smeaton White.

SECOND READING

Hon. SMEATON WHITE: By leave of the House I would ask that the Bill be now read a second time.

Hon. Mr. DANDURAND: Would the honourable gentleman explain the Bill?

Hon. SMEATON WHITE: The Gatineau Transmission Company is asking power to build a transmission line from the new development which they are putting in now, and which they expect to have ready by the first of the year.

Hon. Mr. CASGRAIN: The International Paper Company?

Hon. Mr. DANDURAND: It is a Bill introduced in this Chamber?

Hon. SMEATON WHITE: Yes.

Hon. Mr. CASGRAIN: That is all right.

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

Hon. SMEATON WHITE: I would also move that Rules 24a and 119 be suspended in so far as they relate to this Bill.

The motion was agreed to.

MONTREAL-OTTAWA TRAIN SERVICE

On the Orders of the Day:

Hon. C. E. TANNER: Honourable gentlemen, I wish for a moment to direct attention to a matter to which I referred some time ago. My honourable friend who has just come to this side of the House (Hon. Mr. Casgrain), according to the information given us by the Leader of the House, asked some questions and answered them himself. When I directed the honourable Leader's attention about four weeks ago to a matter in which the Eastern Provinces are interested, my honourable friend from De Lanaudière (Hon. Mr. Casgrain) intervened very kindly with some information, and I hope he will now be able to supplement that information, if the honourable Leader of the Government is not able to do so. I asked in regard to the train service on the Canadian National Railways, connecting Ottawa with the Maritime Provinces. There is a train arriving in Montreal from the Maritimes about nine o'clock in the morning, with which, some years ago, there was a close connection. Later, that connection having been cut out, passengers by taking the tunnel train in Montreal at one o'clock could reach Ottawa at half-past four. Some four or five weeks ago the tunnel train was cut out, so that passengers arriving in Montreal from Halifax at nine o'clock in the morning had to wait until the departure of the Canadian National from Montreal at four o'clock in the afternoon. My honourable friend to the left of the Leader of the Government (Hon. Mr. Casgrain) intervened to say in rather rebuking tones that an improved service was advertised in the newspapers, and that if I had read the newspapers I would have learned that arrangements were to be made on the 20th of May which would be quite satisfactory to the people of the Maritime Provinces. I said that such predictions or promises were not always fulfilled, and I regret to say that as far as I can learn, my statement has been borne out while that of my honourable friend has fallen to the ground. Now, I have been keeping in touch with the railway people, and as late as yesterday I ascertained that no arrangement such as was promised by the honourable gentleman from De Lanaudière has been made, but that it is still necessary for passengers to wait in Montreal until four o'clock. I hope the honourable gentleman will be able to give a supplementary statement or that the Leader of the Government can give us a statement which will assure me that the information that I got from the railway company is not correct, and that there really is or will be a more prompt service in the future.

Hon. Mr. DANDURAND: I may say that my honourable friend from De Lanaudière was so positive that he rather paralyzed me in my intention of seeking information.

Hon. Mr. TANNER: Yes, he was quite positive.

Hon. Mr. DANDURAND: I will put the question to the Canadian National authorities. Of course, I do not know what their answer will be. We have all been clamouring for economies and the wiping out of duplicate services. Perhaps the Canadian National officials decided that the service from the tunnel did not pay. However, I will ask if there is not soon to be a better connection in

Montreal in the morning for the people from the Maritime Provinces who are desirous of reaching the Capital.

Hon. Mr. CASGRAIN: I wish to say that on that occasion I was perfectly sincere, as I always am in every statement I make.

Some Hon. SENATORS: Hear, hear.

Right Hon. Sir GEORGE E. FOSTER: Sincere, but incorrect.

Hon. Mr. CASGRAIN: And I may say that nobody has been more disappointed than myself. I had seen the information in the papers. My paper, the Montreal Herald, is on the streets in Montreal every morning, and we expected to put it on that train at one o'clock so as to enlighten this House every day at about half-past four, and so that the Government might know what was thought of them. To my great disappointment, after making all arrangements, I found that, for some reason better known to others than myself, that train had not yet been started, and that in consequence my paper only arrived here with the other papers from Montreal, and is at times, I am afraid, sidetracked a little and lost. It had been arranged that the paper would be on that train, so that it could be sold on the streets of Ottawa at five o'clock. I was absolutely sincere in my statement, and I am very much disappointed by what has occurred, and, for the benefit of the Herald, I hope my honourable friend the Leader of the Government will have that train put on right away.

Hon. Mr. REID: I would like to make a suggestion to the honourable gentleman. We are all anxious to see that paper at the earliest possible moment. My suggestion is that a good way for passengers to get here from the Maritime Provinces would be to take the Canadian National train leaving Montreal at ten o'clock in the morning for Toronto and go as far as Prescott, where they could see the nice little town in which I live, and get a good meal, and then to take the 2.10 train from there, which arrives here at 4.20. If the honourable gentleman would have his paper put on that train, or on the C.P.R., which makes a close connection with the Maritime train, there would be no difficulty. I hope the honourable gentleman will follow that course, so that he may see his paper here every day.

Hon. Mr. GORDON: It would appear to me that the Canadian National deserves a vote of thanks for withholding that paper from us.

DOMINION FOREST RESERVES AND PARKS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 97, an Act to amend The Dominion Forest Reserves and Parks Act.

He said: Honourable gentlemen, the revisions in the boundaries of established Forest Reserves as specified in this Bill are, in general, necessary in order to provide for the withdrawal from forestry reservation of lands which intensive examination has shown to be of sufficient agricultural value to warrant such action and in other instances to make provision for the addition to the reserves of non-agricultural areas which adjoin the present reserve boundaries and which, for some particular reason, are essential to the best development of the reserve.

Prior to the creation of forest reserves it is the practice to examine the areas which are eventually included therein with a view to excluding all agrricultural lands. However, lying between the true forest lands which should be permanently dedicated to the growing of timber and the areas of undoubted agricultural value there is frequently a transition zone comprised of lands which can not, without the possibility of error be placed in either class. Therefore it sometimes occurs that lands in this transition zone are placed under forestry reservation and owing to the subsequent removal of the timber or to the agricultural development of contiguous areas, they offer a fair opportunity for successful settlement and all areas the withdrawal of which is provided for in this Bill are of this character.

As an instance the proposed withdrawals from the Pasquia and Porcupine No. 2 Reserves in Saskatchewan are considered advisable owing to the fact that areas with soil suitable for agricultural development but covered with a dense stand of merchantable timber, were included in the reserves in order that proper fire protection might be afforded but as a large percentage of the timber has now been removed and as the soil is of good quality it is deemed advisable to make these areas available for settlement.

The revision in the description of the Rocky Mountains Forest Reserve in Alberta is necessary owing to the fact that it has been determined by survey that the interprovincial boundary between that province and British Columbia is located further west than assumed when, prior to survey, the former description was prepared.

The addition of an area of wholly non-agricultural lands to the Larch Hills Forest Reserve in British Columbia is essential to the development of a forest working-plan for the Larch Hills district. The enlarged reserve is to be developed as a demonstration forest and given more intensive protection in order that it may serve an educational purpose in improved forest methods.

The proposed Shuswap Lake Forest Reserve, also in British Columbia, is comprised of an area of strictly non-agricultural land, being a rugged and precipitous country of high altitude. All lands suitable for settlement have been carefully excluded, leaving within the proposed reserve an area which is incapable of sustaining settlement. The proposed reserve includes some excellent timber, which however, is as yet too remote for profitable exploitation. To ensure adequate protection thereof it is essential that facilities for communication and transport, which can be afforded only in forest reserves, be provided.

As honourable gentlemen will see, the Bill is very technical. It is the work of an entire staff of explorers, surveyors and engineers, and we must rely on the value of our staff in that Department and accept their work without appointing any expert we may have in the Senate or outside to verify their bearings.

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

Right Hon. Sir GEORGE E. FOSTER: May I ask my honourable friend if he could give us information on two points? On the one hand, the total area of land deducted from the parks for agricultural or settlement purposes? And what is the measurement of the portions which, if this passes, will be added to the parks of the country?

Hon. Mr. DANDURAND: I have the information under my hand, but it will take a little while for me to find it. As we shall go into Committee to-morrow, I will furnish the information then.

OLD AGE PENSIONS BILL

SECOND READING REJECTED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Dandurand for the second reading of Bill 21, an Act respecting Old Age Pensions.

Hon. W. B. ROSS: Honourable gentlemen, I am not going to inflict any long address upon the Senate in respect of this Bill. I shall not make any reference to the merits or the demerits of an old age pension system. There are librairies on the subject, and I have no doubt that every member of this House has read as much on old age pensions as I have and knows as much about them.

But the Bill before us is peculiar. I do not say there never was another Bill like it; I think there have been a few like it, and there may be one or two like it again; but as a rule we are legislating on subjects over which we have jurisdiction. In this case, according to the Department of Justice, the subject-matter over which we are legislating has been assigned under our Federal Constitution to the Provinces. I think it is a good general rule to lay down and to follow as closely as possible, that the Parliament of Canada, or any House legislating under a similar constitution, should confine itself to those subjects which have been assigned to it, and the Provinces to the subjects that have been assigned to them.

The first occasion since I have been in this House on which a similar question of jurisdiction came up was the introduction of a measure with respect to the highways. The position I took on that subject was exactly the same as the position that I am taking to-day. I spoke against the Highways Bill and voted against my party on that subject, and from all that I have seen of the Highways measure in our Province I think my vote was entirely correct. Had that money been in the hands of the Provincial Government itself, to be disposed of as its own revenues, they would have got more out of it than they did get. There would not have been as much hurry and rush as there was to spend money on the highways and get all that could be got out of the Dominion Government before the expiration of the time set for paying the money.

Now you have brought down another measure which, right on its face, postulates an agreement with nine provinces. Unless you arrive at an agreement with the Provinces, you are simply legislating in the air.

There are two ways of dealing with the thing. You might pass an Old Age Pension Act that you thought was perfect, place it in the Statute Book, and then leave it to the Provinces to come in. If you do that, you will have to spend a long time in working out an old age pension system. When you have finished, Province number 1 may say, "All right, we will come in;" number 2 may say, "No, we will not;" number 6 may say, "We will come in;" and number 9 may say, "No." You have an absolute mess. If you go ahead with one, two or three of the Provinces and they receive large sums of money from the Dominion Government under

your Act, the Provinces who do not come in are in this position, that they are drawing nothing from you for old age pensions, and yet, in the general result of our taxation, they are helping to pay. You will find that the Province is not going to submit to any such thing as that.

Take my own Province of Nova Scotia. I remember when, in the early eighties, the income and the expenditure of that Province amounted to about $400,000 a year. Last year it was something like $6,000,000, and that Province does not know which way to turn to make ends meet. At the present moment I cannot tell you what the deficit was last year, but it was abnormal—

Hon. Mr. TANNER: A million and a half.

Hon. W. B. ROSS: —on account of the failure of the mines to pay a royalty, owing to the suspension of work. I think the deficit was not far short of a million dollars.

Hon. Mr. TANNER: A million and a half.

Hon. W. B. ROSS: Under this Bill, if the Province of Nova Scotia were to come in, it would have to be prepared to pay at once something between two and two and a half millions, with the prospect of the amount increasing. Mark you, after this Bill had been passed and provided a pension of $240 a year, if I know anything about it, the aged people in this country would not be satisfied with $240, and it would not be very long until the pension would have to be worked up to one dollar a day, or perhaps doubled to $480 a year. However, taking it as it is, that Province would be called upon to meet an expenditure of more than $2,000,000. No matter how willing they are in regard to old age pensions, they cannot do it. They have taxed every known or imaginable thing that can be taxed. You know what happened at the last election there. The cause is of course a matter of opinion; but the wisest heads that I know of say that the movement which wiped out the Government that was in power for forty years, by a vote of 40 to 3, was simply a revulsion against what had been going on with regard to money. What the Province has to do now is to cut down expenditure instead of taking on more.

I am going to vote against this Bill myself for the reason that it is premature. It is simply imaginary legislation until you get the Dominion Government and the Provincial Governments to confer and arrive at an agreement upon the main principles of an old age pension scheme. If you can get that done, I shall be prepared to do what I can to help to work it out. What is the use of our spending a week or ten days on an old age pension scheme when we know that the Provinces, who have the jurisdiction, are not the moving parties? That is the strange thing about this proposed legislation. If the Provinces had presented a scheme, on which they had agreed, dealing with a matter over which they have jurisdiction, and had asked either for a vote for old age pensions or for an increase in their subsidy, then I could understand this House giving the request a very patient and considerate hearing and perhaps rendering them some assistance. But why should we take this matter in hand and force it upon the Provinces, without knowing what view they would take, beyond this, that so far as they have answered to interrogatories, it is either a negative or the grossest kind of indifference to the scheme. Possibly the ultimate result will be, if you agitate it long enough, that they will tell you, "If you are eager for old age pensions, then vote them yourselves, and let us alone."

Now, I am not pronouncing any opinion on old age pensions. I can conceive of an old age pension scheme that would have merits at its proper time and in its proper place. I have always had the notion that in a unitary government—if, for instance, we were a legislative union—we could thrash out this question from beginning to end. The subject is so complicated that it is hard to know which way to turn in working it out. Still it might be possible to conceive of an old age pension scheme, though I am certain that it would require a contribution to some extent by the beneficiaries. I have had, as I say, the notion that in a unitary government I would favour a scheme of that kind, and I have had such a notion in mind for thirty years, but it was always conditioned upon the man himself doing something. A man who will not spend ten cents to help himself belongs to a class that you cannot do anything for, and it is not worth while legislating for. That would be my opinion.

I need not detain you further on this matter. I intend to vote against this Bill, on the ground that there is no manifestation of a desire on the part of the Provinces, nor is there any agreement arrived at with the Provinces, and therefore it is a purely imaginary Bill that we are asked to pass. We do not know what would happen.

Hon. G. LYNCH-STAUNTON: Honourable gentlemen, I notice that year by year legislation of the Dominion Parliament is infringing more and more upon provincial jurisdiction.

The duty of the Parliament of Canada, as I conceive it, is to pass legislation for the general advantage of Canada, that is, legislation which necessarily affects more than one province. Jurisdiction in matters concerning the people of each Province has been given to the Provincial Legislatures, and in consequence the Provincial Governments themselves have taken care of the feeble-minded and the physically weak and helpless, or have delegated their authority in that respect to the municipalities. It has been recognized that that is their duty and their business. The Dominion Government, in pursuance of that policy of trespass, which has been growing with the years, now purpose taking a hand in the protection of the feeble and the care of the helpless. They propose to provide by legislation for old age pensions to help those who cannot help themselves, in such of the Provinces as agree to go into partnership with them, and only in those Provinces. This proposal shows that the legislation to which they are inviting our assent is Provincial and not Federal.

If it is the duty or the right of the Dominion to provide old age pensions, why should it not provide lunatic asylums, houses of providence, shelters for the deaf and dumb —in fact, institutions for assistance for all the poor of the country? The unreasonableness of such a position is quite apparent. Therefore, in my judgment, this Bill is not only an improper infringement upon Provincial rights and duties, but it is ultra vires of the Dominion Parliament. We may be told, "Parliament may do anything." Why, Parliament may not do anything. Parliament must respect the law if it expects the people to respect it. The British North America Act has laid down and described and circumscribed the jurisdiction of this Parliament, and if this Parliament, simply because no person will question its legislation, passes Acts when it is not quite satisfied and clear about its jurisdiction, it is doing a wrong and is setting the law of Canada at defiance. Many statutes have been enacted by this Parliament which are in my opinion utterly void, and which, if any person had the interest to have them tested in the courts, would be set aside. We go along from year to year passing every statute which we think is politically advisable; and in saying this I am not speaking of one Government more than another. We do not consider as carefully as we should whether we are acting within our jurisdiction. As for me, I am not going to vote for this Bill, which I believe is ultra vires of this Parliament.

We know that the Government, before introducing this measure, made inquiries from the various provincial Governments. I have not read their replies, but I am told that in most cases, if not all, the replies from the Governments of the Provinces indicated their opposition to this legislation; and I do not think it is proper or decent for the Dominion Parliament to force a policy on the Provincial Governments which they do not or may not wish to adopt. It would not be considered a friendly act for the Provincial Governments to endeavour to embarrass the Dominion Government by passing legislation and asking them to assent to it merely because the Provincial Government thought such legislation was wise and proper, while the Dominion was entirely opposed to it.

This is just the converse. The Dominion Government, for some reason—I think most of it is only a profession—seemed to think that it was wise and proper and statesmanlike for the nation to pay pensions to these old people; but I think, if the Dominion Government had a proper respect for the Provinces, they should hold their hand at least until the Provincial Governments were in accord with this view.

The business of looking after the poor is a Provincial matter, and the Provinces should not be dictated to or embarrassed by the Dominion Government; and I am not going to give a vote which will help them to so embarrass the Government of the Province in which I live. This matter is to me not one of policy at all: it is a matter in which I think we have no jurisdiction; and, expecting that the rights of this Parliament will be respected by the Provinces, I propose by my vote to show that I respect the rights of the Provinces.

The statement to which I referred, as has been just pointed out to me, appears as No. 88 in the Journals of the House of Commons of Canada for June 16, 1925, and the answers of the Provinces appear there.

Hon. N. A. BELCOURT: Honourable gentlemen, I do not propose to say anything in regard to the policy of this Bill, or the question of pensions generally. I have risen merely for the purpose of asking my honourable friend the leader on the other side (Hon. W. B. Ross) and my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) if they have not based their objections to the Bill on false premises. There is nothing in this Bill which forces any Province to act upon it.

Hon. Mr. LYNCH-STAUNTON: I said moral force: I did not say mandatory force.

Hon. W. B. ROSS: I did not, either.

Hon. Mr. BELCOURT: The honourable member said he would oppose forcing the people of any Province. He did not make a distinction between moral pressure and any other pressure. I took him to mean any kind of pressure. But I submit that no Province is bound to do anything, or act in any way.

Hon. W. B. ROSS: Oh, I admit that. Any Province can stay out or come in as it likes.

Hon. Mr. BELCOURT: Quite. Then my honourable friend from Hamilton stated that this is not a Bill for the general advantage of Canada. I submit that it is such a Bill, because any part of Canada may take advantage of it, though we are not forcing it on any Province. Some argument is to be drawn from the nature of the Bill; that is, while we are not forcing it on Canada, we are offering to every part of Canada the advantage of coming in under it. It does not propose doing something contrary to the general advantage of Canada, but it offers every part of Canada the advantage of some money or some other benefit which this Parliament wishes to put at their disposal. For these reasons the argument that it is being forced on the Provinces, or that it is not for the general advantage of Canada, seems to me to be a false ground on which to base objection to the Bill.

I would not assume that my honourable friend would wish to deprive seven or eight of the other Provinces of the advantage which may inure to them through this Bill because one Province, say Nova Scotia, is not in a position to take advantage of it. In this world there are a great many things that one cannot take advantage of, but surely he is not going to ask his neighbour to forego an opportunity because he himself cannot take advantage of it. That is an illustration that is pertinent to this Bill. It is not because one or two or three Provinces have not the means to take advantage of this Bill that any honourable gentlemen should want to deprive the other Provinces of its benefits.

Hon. Mr. STANFIELD: Those one or two or three or four Provinces that cannot go into it would have to pay their proportion of the 50 per cent granted by the Dominion.

Hon. Mr. BELCOURT: That may be, but Nova Scotia can get it if it chooses.

Hon. Mr. LYNCH-STAUNTON: Would the honourable gentleman permit me to draw his attention to a matter that he may answer now or afterwards. Here is the opinion of the Deputy Minister of Justice:

Referring to your letter of the 12th instant, asking to be advised with regard to the authority of Parliament to legislate on the subject of old age pensions, I may say that this subject does not fall specifically within any of the enumerated subjects given to the Dominion under section 91 of the British North America Act, but does in my judgment fall within the subject "Property and Civil Rights in the Province" committed to the Provinces under section 92. I am of opinion, therefore, that the subject matter of pensions has been entrusted to the Provincial Legislatures rather than to Parliament.

Hon. Mr. BELCOURT: I do not dispute that in any way.

Hon. Mr. BELAND: Ask him who signed that letter.

Hon. Mr. DANDURAND: Yes, but my honourable friend should continue.

Hon. Mr. BELCOURT: I do not dispute anything my honourable friend has read, and it does not matter what the source of it is, because I think it is quite correct constitutionally. But that is just what we are not doing here. We are not ousting the jurisdiction of the Provinces; they may go on and pass this Act, or any other Act.

Hon. W. B. ROSS: That is not what you said in regard to the labour legislation.

Hon. Mr. BELCOURT: That may be, but I have one bridge to cross at the moment, and I do not propose to cross another. The Bill says distinctly, in plain English, that the Act is not to be of any value or is not to be resorted to unless the Province has agreed—any Province. If we were undertaking to legislate against the Provinces in a matter of that kind, it would be clearly unconstitutional, but we do not propose to do anything of the kind: On the contrary, this legislation is subject to the Provincial law, and is only to have force if the Provinces and this Parliament can agree. We are not dictating to any Province; we are not trying to embarrass, and we would not embarrass, any Province, because this is legislation in which the Provinces may all share. If they do not take a hand in it, then there is nothing done.

The leader on this side points out to me that my honourable friend from Hamilton did not read the whole of the opinion of the Minister of Justice, or his Deputy. Following what he read, Mr. Edwards goes on:

I do not mean to suggest that Parliament has not the power to legislate upon the subject so as to assist the Provinces or to establish an independent voluntary scheme—

Exactly what I have just said.

—provided that in either case the legislation does not trench upon the subject-matter of property and civil rights in the Province, as for example, by obligating any Province or person to contribute to the scheme.

Exactly the argument I endeavoured to make.

Hon. Mr. LYNCH-STAUNTON: Read the next paragraph.

Hon. Mr. BELCOURT: Very well:

The enactment of such legislation would, however, involve the assumption by the Dominion of obligations involving heavy expenditures—

That is another thing altogether.

Hon. Mr. LYNCH-STAUNTON: But go on.

Hon. Mr. BELCOURT: He proceeds:

—with regard to a matter which does not fall specifically within the Dominion field of legislation.

I do not dispute that. I am trying to point out that both of my honourable friends who have spoken on this subject can see that their argument is based on nothing.

Hon. W. B. ROSS: I would like to ask my honourable friend if he has read section 19 of the Bill. Who takes control of the whole situation?

Hon. Mr. BELCOURT: Section 19 reads:

The Governor in Council shall have power from time to time, on the recommendation of the Minister of Labour and with the approval of the Treasury Board, to make regulations, not inconsistent with the provisions of this Act, with regard to the pensions herein provided for.

I do not quite understand why my honourable friend referred to section 19.

Hon. W. B. ROSS: Section 19 gives the Governor in Council control of the whole scheme.

Hon. Mr. BELCOURT: Oh, no; it is also subject to section 3; this is all predicated upon that:

The Governor in Council may make an agreement with the Lieutenant-Governor in Council of any province for the payment to such province quarterly of an amount equal to one-half of the net sum paid out during the preceding quarter by such province for pensions pursuant to a provincial statute authorizing and providing for the payment of such pensions to the persons and under the conditions specified in this Act and the regulations made thereunder.

The whole thing shows that no Province is dictated to or embarrassed. Nothing is forced on any Province, but the Province is invited, purely and simply, to come in with the Dominion Government and together make a scheme upon which they both have some jurisdiction, which would be dependent altogether upon the agreement. It is the agreement only that would give this Parliament jurisdiction to deal with it at all. I submit, with all respect, that my honourable friends have not advanced any reason for opposing this Bill.

Hon. C. P. BEAUBIEN: Honourable gentlemen, I am at a loss to understand the position taken by the honourable gentleman from Ottawa (Hon. Mr. Belcourt). Surely no one can dispute that a large amount of money under the control of the Federal Government will be voted and disposed of by this Bill. What is this money being voted for? Is it for a matter within the jurisdiction of the Federal Parliament? My honourable friend was asked a moment ago to read the answer to this question, coming directly from the Minister of Justice. What did the Minister say? That Parliament has not the right to dispose of sums of money which will be paid for old age pensions.

Hon. Mr. BELCOURT: He has not said anything of the sort.

Hon. Mr. BEAUBIEN: Here is what he says:

The enactment of such legislation would, however, involve the assumption by the Dominion of obligations involving heavy expenditures with regard to a matter which does not fall specifically within the Dominion field of legislation.

Is not that a clear, positive and absolute answer to the question that I have asked?

Hon. Mr. BELCOURT: Yes, but it is a different thing from what my honourable friend said a moment ago.

Hon. Mr. BEAUBIEN: No, it is not. The only ground for the contention that this Bill may be within the jurisdiction of Parliament is that it does nothing at all except offer assistance to the Provinces. I contend that the Minister of Justice has clearly stated that this Bill is beyond the jurisdiction of the Federal Parliament. If this is only a Bill to assist the Provinces, even then it would do it unconstitutionally: that is my contention.

May I say one word now, as far as my own Province is concerned, on the consequences of this Bill if it should become law? In Quebec we have a state of things based on the Confederation pact, which state of things is reflected in our Civil Code, and imposes upon the family certain obligations, particularly upon the descendants, for the support of progenitors, and vice versa.

Hon. Mr. BELCOURT: There is in Ontario, also.

Hon. Mr. BEAUBIEN: My honourable friend can speak for the Province of Ontario if he wishes. I want to be very brief, and only touch on the effect of this legislation in the Province of Quebec. There is a very wise provision in the Civil Code, based entirely on natural law. We consider that the nucleus of society is the family, and that

nucleus is kept together, healthy and strong, by the obligations of one member towards another—by the children's obligations to maintain and uphold their parents, and of course by the collateral obligation of the parents to look after their descendents. Not only has that principle been working smoothly in my Province, but it has had a steadying and excellent influence on the people. If you make the family good, healthy, and solid, and if you keep every member of it devoted to every other member by his responsibilities, which are powerful ties, then you are working for the good of society. If this Bill passes, the obligation of the children to look after their father and mother and grandfather and grandmother goes by the Board. Is that a good thing? You would only have to ask at random to learn what would be the answer of the Province of Quebec. That is why I am surprised to see certain of my colleagues from that Province on the other side of the House favouring a Bill of this nature. It strikes a blow at the very basis of our Civil Code.

Hon. Mr. BELCOURT: In what respect does it go against the Code? In what way does it interfere or affect the provisions of the Civil Code?

Hon. Mr. BEAUBIEN: I must be very obscure. I will try to make myself clear. Of course it does not repeal the provisions of the Code, but the need is gone; the paternalism of the honourable gentlemen on the other side has brought in the State to relieve the child of a natural and civil obligation.

Hon. Mr. BELCOURT: In what way does it relieve him?

Hon. Mr. BEAUBIEN: If the parents are in need, the child is obliged to provide for them: the law says he must do so according to his own means and according to the needs of his parents. If the State provides for the parent, why should the child be called upon to do so? I say he is not called upon to provide; he is not obliged to fulfil the natural obligation of maintaining his father and mother; the State has come in and is doing that for him. Is that clear? If it is not, I am afraid I cannot make myself understood, although I would very much like to do so.

Hon. Mr. BELCOURT: Oh, I am stupid.

Hon. Mr. BEAUBIEN: In the second place, in the Province of Quebec, when the family cannot for one reason or another look after its old people, the law provides that the municipality shall step in; and if the municipality does not or cannot do so, then the Province intervenes. That condition of affairs has lasted a long time and has produced institutions the like of which—and I think I shall not be contradicted in this—are hardly to be duplicated the world over. Let me tell you, honourable gentlemen, that the biggest and perhaps the finest building in my Province is now dedicated to poor people who cannot take care of themselves, most of whom are incurable. My honourable friends on the other side know that is true. There is an admirable system organised by charity, which an improvident hand, through political interference and nothing else, wants to brush aside altogether. And for what, may I ask? Have I not heard my honourable friends across the House deplore the fact that doles have been instituted in Great Britain? Do they reflect now that doles, after all, are provided by the British Government only to the extent of 25 per cent and that the balance is contributed by British workmen? Yet, honourable gentlemen are asking for legislation under which no contribution at all is required, and under which everything will be handed over without any effort whatsoever on the part of those who will benefit.

Do you think, honourable gentlemen, that if we ever open the door to such legislation, we shall be able to close it? Now is the time to think. We must take a stand now—not after the Bill is passed. How often have we heard it said that the British people could not get away from doles? No longer ago than last autumn, during the meeting of the Interparliamentary Union, I heard a number of British parliamentarians say that politically it is impossible for them to get away from doles. Still, honourable gentlemen, the people of the Old Country have excuses. They are not living in a land where the opportunities are equal to ours. After all, they have age to carry, with all its miseries in a great many forms. For one thing, they have too much population for what they can produce in the way of food. There are 700 people per square mile in Great Britain, whereas we have only 3; and the sun of our future is rising before us. Why should we put upon ourselves the handicaps of all the old countries of Europe when we are not obliged to do so? Is that judicious? Is it judicious for us to impose upon our country such socialistic legislation as this—because it is nothing else—when there is no call for it?

In looking rapidly over the history of this legislation, what do I find? From time to time Parliament has been dickering with it. Committees to investigate it were constituted in 1908, in 1912, in 1913, a pious motion in 1914, another in 1922, a delegation in 1923, a unanimous resolution

in 1924 to refer the matter to the Provinces. After this lengthy consideration of the matter, Parliament came to the only conclusion that could properly be reached, and since this was a matter belonging to the Provinces, the Committee unanimously said: "Let us refer it to the Provinces." Last year, and more especially this year, for reasons upon which I do not desire to enter, but which I think are apparent to everybody—

Hon. Mr. DANDURAND: Will my hon. friend allow me to ask if he is not making an error when he says that those reports stated that the matter should be referred to the Provinces, and whether it was not that there should be a conference with the Provinces?

Hon. Mr. BEAUBIEN: What I have here is "referred to the Provinces."

Hon. Mr. DANDURAND: I know of two reports of Committees of the other Chamber, and neither of them, as far as my memory goes—and I read them very lately—stated that the matter should be dismissed from the Federal arena. There is in one case a recommendation that there should be a conference.

Hon. Mr. McLENNAN: The Committee had conferred with the Provinces, and the reply is given in the report.

Hon. Mr. BEAUBIEN: I am ready to admit that probably the Leader of the Government is better informed than I am as to the details of that legislation, and I will take his version of it, which I do not think is very different from my own. Whether the conclusion is to refer the matter to the Provinces or to convene the Prime Ministers of the different Provinces to deal with it, to my mind the result is absolutely the same. In other words, after considering the matter for years, always under the same pressure which we are bound to feel more and more as we go on, Parliament has come to the conclusion that the question should be referred to the Provinces, where it belongs.

Now, honourable gentlemen, if we follow that principle, can we say there is need of it? There is only one Province, namely, British Columbia, that has asked for it after all these years.

The Prime Minister said that he was going to call a conference of the Provincial Premiers, and for two days now they have been sitting in this very city. Are they anxious for this thing? Have you heard of any resolution being passed to that effect? No, you have not heard one word. But there is more. What about the answer of Quebec? My honourable friend knows the capabilities of Hon. Mr. Taschereau. He is a very able, sober-minded, trustworthy man. What does Mr. Taschereau say? He says he will have nothing to do with legislation of that kind. Is not that an authority for the honourable gentlemen across the House? Why should he refuse?

Hon. Mr. BELCOURT: He has every right to do so.

Hon. Mr. BEAUBIEN: Certainly, he has every right, and every wisdom besides, in refusing the amount of money you offer to him, attached, as it is, to the legislation in question. Mr. Taschereau is not more desirous of having his people in the Province of Quebec brought up to that school of socialism than are most honourable gentlemen opposite.

Now, honourable gentlemen, just one word more. The Eastern Provinces pay about 75 per cent of the taxes of this country. What is going to happen if the Western Provinces accept this legislation and the Eastern Provinces refuse it? What is going to happen is this: 75 per cent of the contributions of the Federal Treasury to every one of those Western Provinces will be paid by the East; and what will be the compensation? Is it fair? And that is the weapon in the hands of the Government to-day. They know very well that their legislation is not popular, but they turn to the Provinces and say: "You will have to pay anyway; will you take it? If you take it, you get your share; but, if you do not take it, you do not get your share and you pay for the others."

I regret having spoken at such great length, honourable gentlemen; but I am absolutely and determinedly opposed to this legislation: firstly, because it is unconstitutional; secondly, because it is unjust; thirdly, because it is totally unwise, and, fourthly, because it is absolutely unwarranted.

As to the last point, honourable gentlemen, I hardly need to develop it, but I may refer honourable gentlemen of this House to the words of the gentleman who presented this legislation to Parliament. What does he say? It is this: "I hear my opponents say that this is going to impose an additional burden on Canada. It is not at all—why? Do you think that the aged people are not now being looked after in this country? Certainly they are being looked after." He claims that the only thing they intend to do is to change the burden from where it now rests to the Federal Government. Well, honourable gentlemen, I say let well enough alone. As far as we in the Province of Quebec are concerned, we wish to leave the burden where it is. One of the highest privileges we possess is to look after our own old people, and it is an even greater privilege that we have been allowed the liberty, by

means of our civil laws, to increase and strengthen the family tie, and to make of our people what they are to-day.

Hon. J. D. REID: Honourable gentlemen, I wish to say just a word or two on this Bill to give the reason why I intend to vote against it. The Government appointed a Committee on the 1st of May, 1924, and from the records it appears that on the 12th of May action was taken by that Committee. The first thing they did was to write a letter to the Minister of Justice to find out what power they would have under the proposed Pension Act. The reply has been given to the House. Next, on the 23rd of May, 1925, they addressed a letter to the several Premiers, and their replies appear in the official records of the House of Commons.

Hon. Mr. HUGHES: Would the honourable gentleman mention the names of the Provinces that are in favour of the legislation and those that are opposed to it?

Hon. Mr. REID: So far as I interpret the replies, every Province is against it. The gentleman who has just taken his seat (Hon. Mr. Beaubien) said that British Columbia was in favour of it. I will read the letter from the Premier of British Columbia, and you can place your own interpretation upon it. On June 2, 1925, Hon. Mr. Oliver, writing to the Chairman of the Committee, says:

> Your explanation of how the proposed scheme was expected to work certainly tends towards a better understanding. Should the Parliament of Canada pass legislation along the lines suggested in your report of last year, I presume the question would then arise as to whether or not the Provinces would co-operate.

I do not interpret that letter as saying that British Columbia is in favour of this legislation, and yet that is the strongest letter of all.

There is another reason why I am not in favour of this Bill. The Government appointed a Committee to investigate and to report their findings. After taking a long time they did make an official report, which appears in the records of the House. I will read the recommendations of this Committee. They reported unanimously:

> Having given very careful consideration to the opinion submitted by the Department of Justice, and also to the respective views of the different provinces, your Committee have come to the following conclusions:—
>
> Firstly, that if the Dominion Government were to proceed now with a scheme of old age pensions, it would have to be prepared to bear the entire expense, which would approximately amount to twenty-three million ($23,000,000) dollars annually, according to the data obtained in your Committee's investigations.
>
> Secondly, that in view of the present financial conditions and heavy taxation of Canada, your Committee would not feel warranted at the present moment in recommending such a large additional expenditure, annually.
>
> Thirdly, that this measure of social reform, in the opinion of your Committee, is very important, and
>
> Fourthly, that since it is the opinion of the Department of Justice that the matter is one coming under the jurisdiction of the Provinces, although open to assistance from the Federal government, your Committee, therefore, strongly recommend:—
>
> 1. That the Federal government arrange with the Premiers of the different Provinces for a conference to be held during the coming Recess of Parliament at which an old age pension system shall be given the fullest consideration with a view to securing co-operative action, and that the report of the said conference be laid on the Table at the next Session of Parliament for future consideration and action.
>
> 2. That the Chairman of your Committee, and one other of its members who would be familiar with the subject matter, be invited to attend the said conference.
>
> 3. That a copy of this report be forwarded to each Premier of the several Provinces.

Hon. Mr. GRIESBACH: May I ask my honourable friend to give the reference?

Hon. Mr. REID: It is in the Journals of the House of Commons of Canada, Volume LXII, 1925; Number 88; page 455. So what I have read is official.

Right Hon. Sir GEORGE E. FOSTER: I would like to ask my honourable friend a question right there. Did that conference of Premiers ever assemble?

Hon. Mr. REID: I was about to deal with that. There was a Committee in which the Government had confidence. Many times the Premiers or other representatives of the Provinces have met here since 1925, the date of this report. The Government knew that the Premiers were to meet here this week, for the conference was arranged several weeks ago. This matter has never been submitted to any conference of Provincial representatives, assembled as they are here to-day. Nothing has ever been done by the Government in any way, shape or form. The report of their own Committee they have treated with contempt. The Committee recommended a conference with the Provinces: none has ever been held. The Committee reported against a Bill of this kind: their report was unanimous. Even those who were in favour of old age pensions—and there were members on that Committee who were strongly in favour of the scheme—joined in making a unanimous report to the effect that it was not right to bring in that Bill. Yet, without consulting anybody, the Government draft a Bill and present it to Parliament. Is that fair to the country? Never in all my experience have I seen or heard of any Government treating with such contempt a report brought in by their own Committee. Surely the Provinces should have had some say. It is not as though the matter were urgent. Nearly two years have elapsed.

Hon. Mr. DANDURAND: Would the honourable gentleman tell me who was guilty of contempt?

Hon. Mr. REID: Yes. I think the Government are. They treated their Committee with contempt when they never even recognized it. They would not even submit the matter to the Provinces.

Hon. Mr. DANDURAND: But what my honourable friend has read is a report from a Committee of the House of Commons, is it not?

Hon. Mr. REID: A Committee of the House of Commons. The report was presented there, and they have treated their own Committee with contempt.

Hon. Mr. DANDURAND: But, I ask, who is responsible for the contempt? Here we have a Bill that passes in spite of that, and is sent here unanimously from the Commons.

Hon. Mr. REID: The majority of the Committee of the Commons were Government supporters. You never saw a Committee appointed but the Government had control of it by a mojority.

Hon. Mr. DANDURAND: Yes, but I say that this Bill last week passed the House of Commons unanimously.

Hon. Mr. REID: Passed unanimously?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. REID: I do not know anything about that, but I do know that the Government did not treat that Committee fairly; they did not treat the people fairly; they did not give the Provinces an opportunity to be consulted, although the whole question is one of provincial right.

I do not want to take up further time. My purpose in rising was simply to read the report of that Committee.

Hon. F. B. BLACK: Honourable gentlemen, I desire to make a few remarks on this Bill. It is of the most vital interest to that section of the country from which I come, the Maritime Provinces. I agree entirely with the remarks of the honourable gentleman from Middleton (Hon. W. B. Ross), who leads this side of the House. There are many reasons why I for one would oppose this legislation, but he has given one good and sufficient reason, and I do not intend to go further into the reasons except to make an explanation to this House, and, I hope, to enlighten it, as to the effect that this measure would have upon the three Maritime Provinces.

You are well aware that, for the past few years at least, conditions in the Maritime Provinces, from the point of view of finance, business, and population, have been on the down grade. There are rumblings, and you have frequently heard the word "secession." I want to say that every man who comes from the Maritime Provinces deprecates the use of that word. There is no real secession sentiment in the Maritime Provinces, but I want to say to honourable members of this House, and through them to the people of the country, that in the legislation enacted now or in the future by the Dominion Parliament consideration must be given, if I may say so, to the rights, the responsibilities, and the losses of the people of the Maritime Provinces, or you, and not the Maritime Provinces, will be responsible if that word becomes a live one down there.

May I point out to honourable gentlemen opposite, and to the members on this side of the House as well, that legislation of this kind has not been asked for by any Province of Canada. I have read everything that I could read in the last two weeks on what has taken place with regard to the question before either House of Parliament, and I cannot find in the record a single request from any Province in Canada for legislation of this kind. References have been made here to-day to the requests that went out to the various Provinces for an expression of their opinion as to the requirements of legislation of this sort, and you have heard generally what the replies were. I will speak only for three or four provinces. New Brunswick said, "No, we do not want it;" Nova Scotia said, "No, we do not want it;" Prince Edward Island said, "No, we do not want it;" Quebec said, "No, we do not want it;" and so on. You will not find a demand, either in writing or by word, from any Province of Canada for legislation of this kind.

Furthermore, so far as the Maritime Provinces are concerned, whether as a result of wise legislation or unwise, or whatever may have been the conditions that brought it about, in not one of those Provinces does the revenue to-day meet the expenditure, though in Prince Edward Island they are nearly even. Those governments which have recently come into power in the Maritime Provinces are doing their utmost to break even by imposing on the people an increase of taxation in every direction. That is a most unpopular task, and those governments are taking their political lives in their hands in the effort to balance their budgets, for once in a period of twenty-five years, and by these increased taxes to raise enough

money to meet the demands for the ordinary expenditures of the Province. Now, what would this proposed legislation do? First, you must bear in mind that these Provinces have not asked for this. Secondly, you have to remember that each of these Provinces has already machinery which was begun before Confederation and has been built up since, for the care of the very people for whom you now propose to provide out of the Dominion Treasury. The Provinces have their machinery for taking care of their poor, and they are fairly well protected. There are, in every municipality, town and city, houses for the shelter of those whom you now propose to help in another way. The Provinces have their investments in municipal homes, in municipal farms, in homes for orphans and needy children. All the machinery for the care of the various dependent people is now under their control and is working well. And what do you intend doing if this Bill goes into effect and if the Provinces take advantage of it? You intend to scrap all that machinery, provided at enormous expense, amounting to millions of dollars. It will be left on their hands and will be useless to them if this scheme goes into effect.

I desire to put on record here and to call to your attention a few figures. Some of these, I may say, appeared in one of the newspapers of the city of Ottawa a few days ago. I was very glad indeed to see them there, and I regret exceedingly that they do not appear on the pages of Hansard in another House and were not put before the persons who voted on this Bill in another place a short time ago. I want first to show what it will cost each one of the Maritime Provinces if this legislation goes into effect and if they take advantage of it. Later I will show particularly what will be the effect if they do not take advantage of it.

In the first place, this legislation is based upon the assumption that 40 per cent of the people over the age of seventy years will take advantage of it. That is the percentage of people who, it has been proved, have taken advantage of similar legislation in those countries that have adopted it. In Prince Edward Island that percentage of the population over seventy years of age, according to the last census, would be 2,135. At $240 per capita, the cost would be $511,680. Provided that Prince Edward Island took advantage of this Bill, should it go into effect, the Province would have to put up half of that amount, which would be $255,840.

Hon. Mr. HUGHES: Is not that on the assumption that all persons over seventy years of age would come under the scheme?

Hon. Mr. BLACK.

Hon. Mr. BLACK: No; assuming the basis upon which this Bill is drafted.

Hon. Mr. HUGHES: Forty per cent?

Hon. Mr. BLACK: Forty per cent of those over seventy years of age.

Hon. Mr. HUGHES: Is that the basis of the calculation the honourable gentleman just made?

Hon. Mr. BLACK: Yes, that is the basis of this calculation.

Hon. Mr. GRIESBACH: Perhaps I should interject a remark, if the honourable gentleman will allow me. I submitted those figures to the Dominion Statistician, and he points out that there is an error. He says that 40 per cent of the population of Prince Edward Island over seventy years of age is not 5,338; it is 2,135. But the calaculations are right.

Hon. Mr. BLACK: Yes, they are correct.

Hon. Mr. GRIESBACH: Forty per cent of the persons over seventy is 2,135; but the extensions are right.

Hon. Mr. BLACK: With regard to the amount of expenditure required by Prince Edward Island, that is correct, because I worked it out. Now I will proceed on this basis. The provincial expenditure of Prince Edward Island in 1924 was $715,881. There are gentlemen in this House from Prince Edward Island who know very much more about the affairs of that Province than I do, but I think I am quite safe in saying that Prince Edward Island has never had a surplus, at least until the last few years. At all events, it has not had a surplus that would amount to 35 per cent of its expenditure of last year; and yet, if Prince Edward Island went into this scheme, it would have to increase the revenue required, at least for the next year, by 35 per cent on its revenue of last year. That 35 per cent amounts to more than $200,000, which would have to be raised by direct taxation, for I know of no other method by which the Province could make up its share. But, more than that, it would have to contribute its share of the 50 per cent which the Federal Government expends, because it is a part of this Confederation.

The conditions in Prince Edward Island are different from those of the other Provinces, because Prince Edward Island is very largely an agricultural Province. It is one of the most excellent agricultural areas on the Continent. It is quite true that the younger people of Prince Edward Island leave in greater proportions than do those of any other Province, because owing to the fact that

Prince Edward Island is an agricultural province, and to the fact that with improved facilities for agriculture and the amount of work done by machinery which a few years ago was done by manual labour, it is impossible for the young people to obtain sufficient employment.

The same applies also to Nova Scotia, though not to the same extent. I am not going to weary you with the figures regarding Nova Scotia, because I want to occupy only a few moments of your time, but if the Province of Nova Scotia takes advantage of this scheme it will have to increase its present direct taxation by more than 20 per cent, and in addition to that it must bear its share of the burden which will be imposed upon the whole Dominion if the scheme goes into effect. In other words, Nova Scotia must pay its share of the fifteen or twenty million dollars which will be the Dominion Government's contribution to the scheme.

New Brunswick comes next, and the effect there would be almost as bad: New Brunswick would have to increase its direct taxation by 18 per cent. At the last Session of the Legislature of the Province of New Brunswick it imposed direct tax after direct tax. It has now had recourse to the income tax—a thing that province never had before. Why? Because, as I have already said, a new government coming into power and taking hold of the reins has said: "Rather than go behind in this Province another year, we will run the risk of the popular feeling being against us, but we must at least break even in our annual expenditure." It would be necessary to add another 18 per cent to the amount of money that we already had to raise in that Province. Eighteen per cent of practically $4,000,000 is nearly $700,000, and this additional amount would have to be raised in New Brunswick by direct taxation if the Province took advantage of this scheme.

The Province of Quebec is in the same category, but not quite so badly situated: there would have to be 14 per cent increase in the annual budget of that Province. In the Province of Ontario the increase would be 10 per cent. In the Western Provinces, it is true, it would make very little difference. Why? Everybody knows that, because the Western Provinces are new, young men go there. They have not yet been there long enough to have grown old. Of the young men who have left Prince Edward Island, New Brunswick or Nova Scotia, many have gone West, and they are there to-day.

Hon. Mr. McMEANS: Why did they go?

Hon. Mr. BLACK: They went West because it was a good place, and they wanted to remain Canadian citizens. It is an excellent place to go to and I only wish that all the men who migrated from the Maritime provinces had gone west. Unfortunately many have gone across the line to the south. But the time will come when, as the country builds up, you will have to meet the same condition as that which confronts the Maritime provinces at present. Then you will not be reaping the benefit of receiving money that the rest of Canada is contributing, but you will be bearing your fair share. However, it will be many years before that comes about.

Another feature of this Bill is that, as regards the Maritime provinces, you are putting on them a burden which they cannot bear if this measure goes into effect. You will be doing a real injustice to the Maritime provinces if you put such legislation as this on the Statute Book, as they are unable to participate in this scheme because of their limited financial resources. As has been stated by a former speaker. Although the Premiers and the Governments of those provinces were in sympathy with the Government of the day, the Federal Government was told that the Maritime provinces could not do it. Everybody who comes from the Maritime Provinces knows that they cannot take advantage of this scheme. Is the Federal Government to say to those provinces: "You cannot take advantage of the scheme, but though you cannot do so you must pay." Is that fair? Is that reasonable? Is it proper to say to them, "You must contribute your share of the money which the Dominion Government gives to other parts of Canada, notwithstanding the fact that you cannot take advantage of the scheme?" That is one injustice that is done under this Bill if passed.

I will mention another injustice which to my mind is still greater. You put those Provinces in this position: "Here is a scheme of old age pensions of which some parts of Canada, belonging to a Confederation of which you form a part, are able to take advantage because of their different conditions; but you, because of your poverty, or because of the unfortunate effects of Confederation upon your provinces, are unable to enter into it." Thus you put a stigma upon those Provinces, and I cannot see how Maritime members of this House, or of another place, after knowing the facts, can go back and look their constituents and friends in the face if this legislation is passed.

I submit a statement showing how this scheme would affect the Maritime Provinces, proving that they could not afford to join in it:

—	40 per cent population over 70 years of age	At $240 per head	Share of province	Provincial expenditure, 1924	Per cent increase
		$	$	$	
Prince Edward Island	2,132	511,680	255,840	715,881	35
Nova Scotia	9,900	2,376,000	1,188,000	5,579,524	21
New Brunswick	5,976	1,434,240	717,120	3,835,522	18
Quebec	25,575	6,138,240	3,069,120	21,567,292	14
Ontario	40,912	9,818,880	4,909,440	48,866,568	10
Manitoba	4,116	987,840	493,920	10,455,187	4
Saskatchewan	3,528	846,720	423,360	12,449,149	3
Alberta	2,738	657,120	328,560	11,174,690	2
British Columbia	3,864	927,360	463,680	20,513,366	2

Honourable gentlemen, I am opposed to this scheme from every standpoint. I have not yet heard an argument or reason in support of it. The junior member for Ottawa (Hon. Mr. Belcourt) said that the provinces need not pay if they do not come in. But I say the provinces will have to pay whether they take advantage of it or not. This is not a political measure; it involves a matter of justice, and I trust every man in this House will vote against it.

Hon. J. S. McLENNAN: Honourable gentlemen, I would like to occupy a few minutes on a point which I think is of particular interest in this House, in view of the attitude that people outside take in reference to this Chamber, namely, the lack of public demand for this measure.

The Committee of the other House, which was continued for two years, and which deserves a great deal of credit for the excellent work they did and the information they got together, took the opportunity of sending a circular letter to 135 mayors throughout Canada. They received only 30 answers, and though it has been stated that it is very rare for anybody to refuse money from outside, these replies were by no means unanimous.

The result of that circular was that 17 answers gave assent to the scheme, on the whole; two were doubtful; and 11 were against it, on the ground that they wanted a contributory scheme, if any, or for other reasons. The question sent out was: "Your opinion, briefly given, regarding the desirability of establishing old age pensions in Canada." In these letters, with the exception of one from a city in Manitoba, there is no hint that people were not being properly cared for. That letter was sent in 1924, and says that the Provincial homes for aged and infirm men in Manitoba are quite inadequate to meet the demands on them for accommodation; otherwise there is no statement that the indigents of all kinds are not properly looked after. The replies are from Nova Scotia right out out to British Columbia. One of the strongest statements against this measure was from Portage la Prairie, where the question was discussed at the City Council, whose members were of opinion that the care of the aged and indigent could be better administered by the municipality itself, where all local conditions were known, and where there was less chance of abusing the system.

Another point that struck me was the comparatively few people who were charges on the towns or charitable institutions of the towns, from one end of Canada to the other. Still another was the almost universal fact that the indigent were being maintained for distinctly less money than this scheme would cost in the end. For example, Brandon is spending now $1,500, while the cost under this scheme would be $3,000. At Calgary they are spending $6,800, but under this scheme it would be $8,400. At Hull they are spending $2,526, but under this scheme the cost would be over $4,560.

It appears from this report that the cost of administration in Australia is about $30 for each pensioner. Taking that as a basis, and counting that we would have 98,000 or 99,000 pensioners, that would make almost $3,000,000 that would have to be paid by somebody for administration of this scheme. Besides, this only applies to certain people that have been a certain length of time in Canada or in a Province, and who are British subjects 70 years of age, and other institutions would have to be kept to provide for other cases of want and misfortune that would continue to exist. The scheme under this Bill would take care of a very small

number of unfortunates, and I believe there has never been any real desire for it on the part of people of Canada, or of those who give most attention to the very many phases of philanthropic work which form one of the glories of this country in every one of its Provinces.

Hon. JOHN McCORMICK: Honourable gentlemen, this measure is not one of the subjects with which this Parliament has power to deal. It is a matter that should be provided for by the Provincial Legislatures of the country. That being the case, together with the fact that according to the report of the Commission the scheme would involve an expenditure of $23,000,000, I am opposed to the Bill. Are the revenues of this country in such a condition, and is the taxation to-day so arranged, as to warrant an expenditure of that kind?

What is the reason that this matter is brought before this Parliament, in view of the facts I have just stated? The Provinces have never asked for it. The parties who have jurisdiction are now providing for the needs of their own Provinces, and there is no call for this measure from any of the legislatures. Why is it that this Government brings in this measure, involving such a large expenditure from the Dominion, and also calling for an expenditure of the Provinces at least 20 per cent in advance of what is required now to maintain their poor? I think that some attention should be given, by the leader of the Government in this House and by those who support this measure, to the question why it has been brought in at all.

I do not think there is any doubt in the minds of those who have been following the affairs of this country for some years that this measure was proposed simply in order to secure the support of two men who call themselves labour men in the other House. To be plain, that is the whole thing—men who call themselves labour men, but who are not in the full sense labour men, who do not represent any considerable portion of labour in this country.

In view of these facts, those who are charged with the responsibilities should explain why they are looking for places to put money when they are not giving sufficient relief from taxation such as the country demands, and yet are proposing a measure involving an expenditure of at least $20,000,000. In our own part of the country a few months ago, when we had unemployment, when people were crying for bread, there were no millions of dollars, or even thousands of dollars, or any dollars at all, that went down from here. Even at the terminal of this 22,000 miles of railway that this Government owns and operates there is not a wharf at which a 50-ton schooner could be loaded. These matters should receive attention before money is thrown away in such a measure as this, when the Government has no call or obligation to do it. Some attempt should be made to relieve the excessive taxation on the people of this country.

I intend to vote against this measure because it is not called for; there is no part of the country demanding it; there is no Province asking for it; and therefore the purpose for which it is brought in is unworthy of support, at least in this House.

Hon. L. McMEANS: Honourable gentlemen this matter has been pretty well thrashed out, and I do not know that I can add anything to the debate; but I would like to assure the honourable gentleman on my left (Hon. Mr. Beaubien) that in the Province of Manitoba the aged and infirm are as carefully looked after as they are in the Province of Quebec.

I think it was rather unfortunate that this measure should have been introduced into Parliament. I am sure that nobody who listened to the address of the leader of the Government, who described in graphic language, of which he is master, the great benefits to be derived from this Bill, could help feeling that we were under a great debt to the old and the infirm. But after reading the Bill the old phrase occurred to me that they ask for bread and you give them a stone.

The Bill was introduced into the other House, as stated by the honourable gentleman who has just taken his seat, at the request of two members of the House of Commons. I do not make that statement myself, but I understand that after the last election we had what was known in this country as a Group Government, and the majority was very close—exceedingly so; at one time it was only two votes, and if those two members of the Labour party had changed their minds or had not received the consideration to which they thought they were entitled, the position of the Government would have been very uncertain. That is one of the reasons why this Bill has been introduced in this very peculiar form.

I believe in old age pensions. I believe in the principle. I think we owe a debt to the old. We pension our judges and our civil servants, and there is no reason why the old men who from unfortunate circumstances are thrown upon the public at the age of 70 should not receive consideration. I entirely endorse

that principle, but such a Bill as the present could not possibly afford any benefit to them.

Supposing some provinces were under the provisions of this Act and other provinces were not, you would have a migration of people who were aproaching the age of 70 into the provinces which were under the Act.

Hon. Mr. DANDURAND: That is very doubtful.

Hon. Mr. McMEANS: I do not think it is doubtful at all. I believe the Bill provides that a person must be in a province for five years, but if he is approaching 65 in Ontario, or near the boundary of it, or in Saskatchewan, he would say: "I am getting on; I will go into Saskatchewan or Manitoba."

Hon. Mr. DANDURAND: To obtain, after five years, only one-fourth of the pension if he is there five years.

Hon. Mr. McMEANS: Well, it would have that effect, anyway, and, as pointed out by several speakers, the provinces that do not go in would have to pay for the provinces that do, in increased taxation; there is no question about that.

Now, I would like to point out that in Manitoba we have a pension scheme, though it may not be properly called by that name. We have a Mothers' Allowance which to my mind is on exactly the same basis. A pension is granted to mothers and to the children of widows. Just to point out how little dependance can be placed upon figures that were quoted here in the very eloquent speech of the leader, the province of Manitoba started into this Mothers' Allowance plan by voting $52,000 a year, saying that that would be sufficient to take care of the mothers and the children. Last year, if the provisions of the Act had been carried out, it would have amounted to $750,000 a year. They had to cut the grant down, in the face of the protests of what are termed the labour members, who very urgently insisted on them carrying out the Act in its entirety. But they had to cut it down, and they granted the widows and children the sum of $450,000, which is no small sum for a province situated as Manitoba is. As you know, the population is not very extensive, being something over 600,000, and we have much difficulty in financing, though probably conditions are not quite so bad as those pictured in a certain Province down by the sea.

I am one of those who believe that there is too much of this coming to the Dominion Government and asking for things, and too much inclination on the part of the Dominion Government to make the Provinces rely upon It. Inducements are being held out every year to the Provinces to come here and make raids on the Federal Treasury. The Province of Ontario, and the Province of Quebec, of which my honourable friend to the left (Hon. Mr. Beaubien) is so proud, are rich Provinces: their bonds sell on the market at as high a figure as do those of the Dominion. What is the result? It does not much matter which party is in power; one sees huge sums granted for the building of roads or for technical education. I think it is about time the policy of making the Provinces rely upon themselves and upon their own efforts was inaugurated.

At six o'clock the Senate took recess.

The Senate resumed at 8 p.m.

Hon. Mr. McMEANS (continuing): Honourable gentlemen, when the House rose at six o'clock I was referring to the fact that the Provinces of the Dominion had been encouraged to a very large extent to come to the Dominion authorities for large sums of money on various occasions, and I was about to read a statement from the New York Herald containing an opinion of President Coolidge on the question of giving aid to the states. With the permission of the Senate I will read this article, which is not very long. It says:

Recalling in his William and Mary College address the origin of the nation, President Coolidge again emphasized his conception of the responsibilities of the states as well as of the sovereign necessity of the Union. In Washington's time and for several generations later national unity and authority had to be stressed because there was a very powerful element which contended that the Union was merely a dissoluble federation, always subject to the threat of secession. That controversy was settled sixty years ago. The states now admit the true role of the nation. They are disposed even to exaggerate it by refusing to occupy the exclusive field of state action and by running to Washington for assistance in doing things which they themselves ought to do.

President Coolidge is a sound nationalist. He said yesterday: "It is impossible to lay too much emphasis upon the necessity of making all our political action of the Federal government harmonize with the principle of national unity." He is against sectionalism, regional blocks, minority combination and all other devices to bring about control of Congress and national politics by highly organized, self-seeking minorities. In the Federal sphere he looks, as George Washington did, to the establishment of a national spirit in national affairs, since "all sections have the same community of interests, both in theory and in fact, and they ought to have a community in political action." But the fact remains that the states are "the sheet anchors of our institutions". If they do not function successfully and show respect for their essential and exclusive functions

our constitutional system breaks down and Federal power is exalted injuriously at the expense of state power.

The doctrine of state rights involves duties even more than privileges. The states must practice self-help, economy, efficiency in local administration and friendly co-operation with one another if they are to avoid Federal encroachments. The President's idea—one which he has expressed many times—is condensed in this sentence: "I want to see the policy adopted by the states of discharging their public functions so faithfully that instead of an extension on the part of the Federal government there can be a contraction."

The states through their Senators and Representatives continue to ask for too much assistance from the Federal government—assistance in building state roads, in education and in other undertakings which are within the state domain. If the President has his way the Federal road bonus will be cut materially, if not discontinued. The states also have failed to heed the splendid example of retrenchment in expenditure and of debt and tax reduction set at Washington. They have steadily increased their debts, expenditure and taxation in the period since the war, undoing, so far as their own citizens are concerned, practically all the benefits of Federal economy. The states have been spendthrift while the national government has been heroically frugal. Here is the great current opportunity for those who value state self-efficiency and freedom of action. The states have little to fear from Federal discrimination or a Federal beaureaucracy if they will only set their own affairs in order, live economically, avoid foolish splurging, accept their responsibilities and thus preserve unimpaired the prestige and self-control which it was intended that they should preserve when they conveyed general powers of government on the Federal Union.

If we consider the enormous debt that we are staggering under in this Dominion, and the tremendous taxation that the people of Canada have to pay, we must realize that there does not seem to be a very bright prospect. There does not seem to be any retrenchment in either provincial or federal matters, and I do not see how we can expect any prosperity in this country so long as this tremendous burden of taxation continues to bear upon us. Surely anyone intending to invest capital would hesitate when he found out what conditions were. In passing, I would like to say that if the policy of the Government continues we will have nothing but old men. Most of the young men have gone already. We spend imense sums of money in educating and training them, but as soon as they arrive at the age of maturity they are compelled to leave this country and to seek employment in the neighbouring republic. They have gone over there by thousands. They are welcomed there and get into good positions, and the chances of their returning are very slim indeed. I do not need to dwell on that at length, because it has been frequently remarked upon and brought to the attention of the Government; but if there is not some change in the policy of the Government so that our young men, who are the most valuable asset we have in this country, will be kept at home, the outlook for the future is not very bright.

I think the article which I have just read is rather to the point in that respect—that the Provinces of this Dominion should be told that they cannot expect to come to the Federal Government and receive aid. As I said before, I am thoroughly in favour of the principle of old age pensions, and I would not go into the question of cost at all if the Bill brought before us were one that could be worked out and made of practical use. The people of the Dominion have been looking forward to something of the kind, but when they see the provisions of this Bill I am afraid it will be a keen disappointment to them. I do not know of any practical man who for a moment would say that it could be worked out practically. It provides that if one Province comes in and thereby benefits to a certain extent, all the other Provinces will have to help to pay for it.

The Bill is utterly futile. It looks to me like a piece of camouflage. It has been said that it was introduced at the behest of Labour. Any Bill, no matter by whom it has been introduced, must depend upon its merits. Whether it was introduced by one party or another would not make any difference to me. I would like to ask my honourable friend (Hon. Mr. Dandurand) if he would not consider that a Bill passed by the Manitoba Legislature and giving pensions to mothers and children was just as meritorious, or perhaps a little more so, than this? And whether the Government of Manitoba would be justified in coming to the Dominion Government and saying: "We are spending $450,000 a year, and want to spend $700,000 in giving aid to the widow and her children." Would not that be just as fair a claim as in the case of pensions? I cannot see any difference. Manitoba has passed that Bill, and she bears the burden of it and does not ask for any aid.

I am one of those who sincerely believe that this is purely a question for the Provinces, and that each Province should have its own measure of old age pensions. In the neighbouring Republic each separate state would have to deal with a matter of this kind on its own responsibility. It would not go to the Federal Government and ask for aid from Congress if the State Legislatures were inauguring a system of pensions; nor would the Federal Government attempt to establish a Federal pension system for the United States, because it would be recognized that this is a matter purely within the rights of the state.

Even if all the Provinces were to agree on the principle of this Bill, it would still be objectionable, for the reason that the granting of money by the Federal Government would be simply giving with one hand and taking back with the other. It would be like a cow consuming her own milk. There would be no advantage to any of the Provinces if by joining in the scheme they received a grant from the Federal Government, because the Provinces would have to pay it back in the way of taxation. It is on them that you have to depend for the taxes, and if they have to pay back the grant, what is the use of saying that the Dominion Government is going to pay half of the cost of this pensions scheme? The Provinces would have to bear the burden.

I do not think I need detain the House any longer. For my part I concur in the opinion expressed by the honourable leader on this side of the House and intend voting against the Bill.

Hon. C. E. TANNER: Honourable gentlemen, there are very few remarks that I wish to make in regard to this Bill, and I intervene only for the purpose of mentioning one or two matters which I think are new in the discussion. I would prefer to have heard someone give what reasons might be given to show why this House should pass the proposed legislation, but there seems to be a diffidence on the part of honourable members to take up the task of convincing the House of the reasons for adopting the Bill. I presume that the honourable leader of the House will give us all the reasons that can be given, and one purpose for which I come into the discussion is to mention the matters I have referred to, in order that he may deal with them in his discussion of the subject.

Generally speaking, I may say that I am convinced that this Bill should not be adopted, principally for the reason which has been already stated, namely, that the subject-matter is one which should be primarily dealt with by the Provincial Legislatures. I admit of course, that this Bill is so framed as to get around the constitutional questions, putting on the Provincial Legislatures the onus of dealing first with the subject-matter, and then proferring to those Legislatures certain assistance which, according to the opinion of the Justice Department, is quite constitutional; but I am firmly of the opinion, honourable gentlemen, that it is not scund policy for this Parliament to intervene in a matter of this kind, and, by inducements, or by coaxing, or by any other effort made to prevail upon the Legislatures, to persuade them to deal with matters which they are reluctant to touch. I think the field of the Provincial Legislature should be left to the Provincial Legislature, and that the Dominion Parliament should content itself with dealing with matters that come within the purview of this Parliament. I am sure that every honourable member will agree with me that we have problems enough of our own—Dominion problems, great and perplexing problems, which have not been dealt with and which ought to be. Therefore I am convinced that we should be far better employed in this Parliament in dealing with such subject-matters and leaving it to the Legislatures to deal with their own matters when they choose and in the manner they choose.

One of the matters to which I desire to refer is this. I want to make a protest against wrong impressions being given by official documents being issued, like the one I have in my hand, under the name or with the imprimatur of a Minister of the Crown. This one is issued under the authority of the Minister of Labour, and purports to be a correct statement of fact in regard to a public matter. This is a supplement issued some time ago by the Department of Labour, entitled "Old Age Pension System Existing in Various countries," and is intended, I presume, for the purpose of giving to the uninformed accurate and reliable information. It does contain a great deal of information that is accurate and reliable, but my citicism of it is that the situation in the Parliament of Canada with respect to this matter is not fairly, fully and correctly stated. I do not wish to take up time in reading, but this pamphlet goes on to mention the fact that old age pensions were discussed in the Canadian Parliament at various times, beginning in 1906. Then, coming down to 1924, it says:

> The recommendations of the Parliamentary Committee of 1924 are as follows:

And it sets out four paragraphs taken from the 1924 Committee's recommendations. Now, to a person who has access to Parliamentary records, or who is informed on a subject like this, the document might be quite harmless; but, put into the hands of the public, it was, I feel, intended to impress upon the uninformed public mind the belief that the Parliament of Canada in 1924 deliberately committed itself to the establishment of a system of old age pensions. The Parliament of Canada, or the House of Commons, or this Chamber, did not do that in 1924. For some reason or another, the vital paragraph of the report of 1924 is omitted from this official document; it is the paragraph which recom-

mends that the Provincial Governments be communicated with in order that it may be ascertained whether or not they are disposed to adopt the system. If the knowledge of that were contained here, it would give the uninformed person, and the public generally, an accurate idea of the situation. As it is, it conveys an inaccurate impression.

Furthermore, in 1924, as has been stated—I am repeating here—the House of Commons did not approve of the report. All that House did in 1924, on July 9th, was to pass a resolution to the effect that the report and the evidence should be printed in the Journals of the House. It did not commit itself, as this official report suggests, in any manner or form, to an old age pension system. Objection was taken to that motion and one honourable member desired to move an amendment that the report be concurred in, but he was not allowed to do so; he was ruled out of order.

On July 16th, 1924, in response to one of the advocates of an old age pension system, the Prime Minister of the Dominion made the statement:

> The report of the Committee to which my honourable friend refers, I think, contemplated that any action by this Parliament would be contingent upon co-operative action on the part of the Provinces. The Government intends, during the recess, to communicate to the Provincial Governments the report which the Committee has brought down and ascertain for the information of Parliament what action, if any, they are prepared to take with reference to those recommendations.

That was the stand taken by the Government through the Prime Minister on July 16th, 1924. All, therefore, that was done in that year was to decide to communicate with the Provincial Governments.

Then we come to 1925. The facts in that respect have been related and I do not need to repeat them. On June 17th of that year it was moved by the Chairman of the Committee:

> That the recommendations contained in the report of the Old Age Pensions Committee be concurred in.

That motion carried, and, as honourable members have been told, the report thus adopted in 1925 simply recommended that there should be a conference of the Provincial Premiers on the subject. So, first, we have a decision by the other House to communicate with the Provincial Premiers; secondly, a decision to have a conference of the Provincial Premiers. It has been stated that there was no conference or no communication. I think it is just as well to nail down that fact, and honourable members will find, if they refer to the Debates of another place, that on May 28—

Right Hon. Sir GEORGE E. FOSTER: Of what year?

Hon. Mr. TANNER: Of this year—the Minister who was in charge of the Bill in that Chamber was asked directly the question:

> If in the interim since this Bill was before the House last there has been any attempt made by the Government to interview any of the Provincial Premiers in respect to co-operation in this measure.

The distinct and positive answer of the Minister, Hon. Mr. King, is contained in one word: "No." He was interrogated a little later, and on the same page of the Debates of the other place it will be found that when he was told that the Provincial Premiers were then coming to the city of Ottawa, he made the remark that the Provinces did not need to avail themselves of the Bill—"it is opitional with them." Then he said:

> There would be nothing to be gained at this time by chasing around, trying to interview Provincial Premiers.

I will not discuss what seems to me to be the rather undignified statement about "chasing around" after Provincial Premiers. It seems particularly undignified in view of the fact that this proposed legislation depends body and soul upon the concurrence and co-operation of the Provincial Premiers. Yet the honourable Minister of the Crown who was piloting this Bill through the other place speaks in that rather flippant manner in respect of the Provincial Premiers, and say there is nothing to be gained by "chasing around" after them. The only conclusion I am able to come to—and I hope my honourable friend the leader of the House may be able to disabuse me of it—is that, while this Bill is being presented, the honourable members of the Government in the other House do not care a button whether it passes or does not pass; that, while they say they must look to the Provincial Governments and Legislatures to approve of it and adopt it, they are quite indifferent whether or not the Provincial Premiers, representing the bodies I have mentioned, take the matter into consideration.

Those are all the matters, honourable gentlemen, that I have any intention of suggesting to the House. In conclusion, I have only to say that the reasons which have already been stated, and to which I have added a few remarks, make it very desirable that arguments of a convincing character, if they are available, should be addressed to this House to show us why the Government have suddenly turned back from the policy of communicating with and consulting the Provincial Governments—why they have abandoned the policy definitely laid down by the Prime Min-

ister himself a very short time ago, and why there is now so much haste to bring in and pass a Bill which invades the legislative territory of the Provinces, and which to me looks only like a bait to those Provincial Legislatures to draw them into activities in which they are very reluctant to take any part.

Hon. JOHN LEWIS: Honourable gentlemen, I do not intend to touch upon the question of a possible conflict between the Dominion and the Provinces. I leave that to the gentlemen who are learned in the law and the Constitution.

A suggestion was made by a member of this honourable House that this Bill was the result of a bargain between Labour members and the Government. If so, a large number of that honourable gentleman's political associates must have been party to the bargain, for in looking over the records I can find no reference to any division in which the Labour members and other supporters of the Government were solidly arrayed on one side and the Conservative members on the other; and two at least of the strongest speeches in favour of the Pensions Bill were made by Conservative members from my own Province.

At all events, so far as I am concerned, my motive is not to please the Labour party or any other party, nor any political motive; my desire is simply to advocate what I regard as absolute social justice to the poorer, the less fortunate people of this country. I do not regard the Bill at all as a socialistic measure or as a measure of charity. I put it on precisely the same basis as I would put the pension to a judge or a soldier, because I regard a mechanic, a factory worker, or a labourer in the field as just as much a servant of the state and nation as the judge or soldier, and just as much entitled to consideration at the hands of the nation.

My honourable friend from Montarville (Hon. Mr. Beaubien) raised the argument that we should not do this because we would be interfering with the duty of the family: he said the son should provide for his father and mother. But he fairly answered that argument himself when he said that in many cases sons were not able to provide for their old people, no matter how willing, but that there were institutions in which those parents could be cared for.

The defect of all those institutions, at least those with which I am acquainted, is that they separate the family, which is a cruel hardship, especially in the case of an old man or woman. I am going to put it in a very homely and blunt way. Many of us in this Chamber are approaching or are past the age limit to which this pension would apply, and I just want to ask, how would you like to be separated from your family and put in an Old Men's Home?

The benefit of these pensions, just as of the mothers' pensions which are in vogue in some Provinces, is that they keep the family together. They allow the old man to live his last days and close his eyes in the midst of the familiar scenes and faces about him; and no institution, no matter how kindly conducted, can take the place of a man's own home in that respect.

The objection was raised that this legislation would be unfair to some Provinces as against others, because the burden of the benefit would be unequally divided. I do not know of any legislation that could be passed by this Parliament which granted absolutely equal benefits, or imposed equal burdens upon all the provinces. There is this to be said, I think, in reference to the West and the East. It is alleged that this is a western measure, and that the East is opposed to it. At the same time it is said by honourable gentlemen on the other side, and I have no doubt it is substantially correct, that the newer Provinces contain a larger proportion of young men, and the older Provinces a larger proportion of old men and women. The effect of that would be, if all came in, that the older Provinces would receive a larger benefit from this scheme. It is true that each of them would have to pay more, but what a Province itself paid would be kept in the Province; it is not lost; it does not go out; it is simply a matter of transferring money from the better-off people to the poorer people. So far as the Federal grant is concerned, the eastern Provinces are likely to get the larger proportion of it than the western.

It has been said that the Provinces ought to have been consulted more fully than they have been, and that their consent should have been obtained before this legislation was proposed. Well, that might have been a very difficult thing to do so long as the matter was in the form of a mere abstract proposition. I think that the legislation will have a far better chance of being generally adopted when we have the actual statute to present to the Provinces, so that they know exactly what it is, and can deal with it, rather than that it should be simply left in the air as an abstract proposition.

For these reasons, while I do not say that there may not be defects in the legislation, I want a beginning made, and I am going to vote for this Bill in the hope that a beginning

will be made, and that the benefit of the Bill shall in the course of time be generally extended throughout Canada.

Hon. J. A. CALDER: Honourable gentlemen, after the discussion we have had I doubt very much whether I can add anything to the arguments that have been advanced against the second reading of this Bill.

I would like to say, at the outset, that in so far as the principle of old age pensions is concerned, I agree absolutely with it. I am in favour of old age pensions. Some speak of it as socialistic legislation. That may be. We have had a great deal of socialistic legislation in the past, and we will have much more in the future. After all, the term socialistic legislation refers merely to proper legislation passed in the best interests of the great masses of the people; and so far as socialistic legislation generally is concerned, if it is of the proper kind, I am thoroughly in favour of it.

Now, I object to this Bill, and I am going to oppose it, and I will state very briefly the reasons why I oppose it. Those reasons have already been stated to the House, but it will do no harm to re-state them.

In the first place, as has been very wisely said, I think by the honourable member for Hamilton (Hon. Mr. Lynch-Staunton), this House should take the greatest precaution to avoid encroaching on the Provincial field of legislation. There is nothing that will give rise to greater trouble in this country, as it has done in the past, than interference on the part of the Federal Government in Provincial affairs.

Now, I ask this question, to every member of this Chamber. This Confederation has existed from 1867 down to the present time, and the whole problem of looking after the civil population, in every respect, has been taken care of by the Provinces. The sick, the maimed, the blind, the deaf, the indigent—all that class of people has been taken care of heretofore by the Provincial Government. I ask honourable gentlemen if that is not the fact. Can anybody deny it? I say no. That is essentially a Provincial field, and a field that the Provinces have occupied, and not only occupied, but where they have done their duty, and done it comparatively well—I might go further than that and say very well indeed.

We have had the instance of the Manitoba Government cited by the honourable member for Manitoba (Hon. Mr. McMeans) to-day recognizing their duty and their responsibility, voting each year $500,000 for pensions to widows and children. Well, I say, why should we consider at all the question of entering that field? Has there been any demand on the part of the Provincial Governments for this legislation? I say no.

Hon. Mr. WILLOUGHBY: You might have cited not only Manitoba, but Saskatchewan.

Hon. Mr. CALDER: Yes, and not only Saskatchewan, but Alberta as well, and I think they have done that in the Maritime provinces.

Hon. G. D. ROBERTSON: And in Ontario.

Hon. Mr. CALDER: Yes, in Ontario. In other words, the Provinces have recognized their responsibility and they have taken care of their civil population wherever care should be given. Now, I ask, is that not true? Is it not a fact? Can anybody deny it?

I go further, and say very plainly that there never has been a single request of any kind from any Province in Canada for legislation of this nature. Then why in the world should Ottawa undertake to interfere? Why should the Dominion Parliament be called upon to deal with legislation of this class? I will tell you why; I will tell you very plainly; it is pure politics—nothing more. If in any Province they have a condition making necessary legislation of this kind, I say that the provinces of Canada will take care of that condition as they have done in the past.

In my own province, for example, in so far as the sick are concerned—a problem just as big as this question of old age pensions, probably bigger, because there you deal with every person from the child up to the greatest age—what have we done in Alberta? We have not only provided central hospitals through the municipalities, aided by the state, but we have provided a system of country-wide hospitals—I will not say in every municipality, but there are a score or more hospitals all through the province to take care of the sick. The same is true of our neglected children, the deaf and dumb, and so on. I say again that we have no business getting into this field, particularly when the Provinces have not asked us to do so. That is the chief reason why I propose to vote against this measure.

The question has been raised as to whether we have the constitutional right to pass this legislation. I am not going to quibble over that at all. The member for Ottawa (Hon. Mr. Belcourt) has referred to it as enabling legislation, or assisting legislation. Well, that may be true. He says no Province is forced to come in. That may be quite true. But what will be the position? This legislation is no good at all unless it is going to be accepted by some of the Provinces. We have no busi-

ness passing this legislation unless we hope that at least a majority of the Provinces will come in under it. That is the anticipation, the expectation; that must be the hope of those who are responsible for this legislation. Well, what will result? Yes, it is assisting legislation. The Province of Ontario decides to come in, but the Province of Quebec, we will say, decides to stay out, and as a result of Ontario coming in—I am only going to use an argument—the state is called upon to pay $2,000,000, and Quebec pays her share of that $2,000,000; she is forced to pay. She is penalized because she does not come in. I consider that very unreasonable.

Then I would say it is a constitutional question, and where this is a Provincial field and a Province says it is not going in, I think the question might be raised as to the constitutionality of the whole Act when the people of that Province are called upon, through taxation, to pay their share for carrying on in another Province work that they do not approve of. There may be a constitutional question there; I do not know.

Reference was made to the record in connection with this legislation, and even if I weary the House I am going to make further reference to it, because I consider it very important, and I think it goes to the root of the whole question. I am going to deal with the record for 1925, because I consider it very essential indeed. The Committee which dealt with this matter was not a Royal Commission, but a Special Committee of the House of Commons, and it sat last year for some months before the report was brought down. The Committee went into the matter very fully; it had a good many witnesses, and a great many discussions; and on the 16th of June it brought down its final report to the House of Commons. In that report it recommended:

> That the Federal Government arrange with the Premiers of the different Provinces for a conference to be held during this coming Recess of Parliament, at which an old age pension system shall be given the fullest consideration, with a view to securing co-operative action, and that the report of the said conference be laid on the Table at the next Session of Parliament for future consideration and action.

Now, that was the action of the Special Committee of the other House, and that action was referred to the House itself, and adopted without division in the House. In other words, less than one year ago it was unanimously decided elsewhere that no action should be taken in this matter until there was a full conference with the Provincial Premiers, in order to ascertain what kind of legislation should be brought down.

Hon. Mr. CALDER.

Right Hon. Sir GEORGE E. FOSTER: And that report was brought before the House.

Hon. Mr. CALDER: That report was brought before the House, and unanimously agreed to by the House, as far as the record is concerned. But what has taken place? Has any such conference been held? None at all. Has there been any reference since that time to the Provinces? Not so far as we are aware. In all the discussion we have had here I have heard nothing said about any further reference to the Provinces. Well, it is rather odd to me, it is very strange indeed, that, after all those people considered this question, and saw all the difficulties in connection with it, they could not agree upon a system at all; they saw all the perplexities and difficulties that would arise on account of varying conditions, various views as to what should be done in this connection, and they said in effect: "This, essentially, is a Provincial matter; we should not proceed with this, we should bring nothing into the House of Commons until these Premiers get together and debate this matter, and come to a conclusion as to what should be done with it." That has never been done, and here we are confronted with a piece of legislation that I dare say will not satisfy any two Provinces in Canada.

Let me say, further, that, while we are discussing this Bill now, there is a conference of Provincial Premiers in this city at the present time. Those men surely should be willing to stay over here for two or three days anyway. Why in the world is not this legislation put before them right now? They have not been called together: they are here. I mean that they should be called before we are asked to pass this legislation or put our stamp of approval on it. It is a matter that affects the Provinces essentially. Why should not this opportunity be taken right now to put this question before the Provincial Premiers, and ask for their approval? I think it should be done. We should not be forced to decide this question without consideration of that kind being given.

Now I wish to read the attitude taken by the present Prime Minister of my own Province of Saskatchewan when this matter was referred to him. The statement has been made that this is a western question. Well, it is not as much a western as an eastern question. In the province of Saskatchewan we are not troubled with the old age problem as much as the big centres of Eastern Canada are. We have practically no old age pension question on our hands in Saskatchewan, and

have never had. I have lived in that province for 20 or 30 years, and we have never had any difficulty with that question at all; there has been no agitation over it, no demand for it; it was never even broached in our legislature when I was there. Members who come from Saskatchewan know that what I say is perfectly true. When you speak of this as a western problem, I would say, get that idea out of your head, because we are freer from the necessity of action in this regard in Western Canada than you are in Eastern Canada. So that in that sense it is not a western problem at all. It is a western problem in the sense that certain people out West agitate for this sort of thing, but as for being a problem in which the great mass of our people are interested I simply say it is not.

Now let me read the reply that was sent to the Committee by Mr. Gardiner, who at that time, I think, was Minister of Municipal Affairs, and who is at present Prime Minister of the Province of Saskatchewan. And I have not any hesitation in saying that when he sent this reply to the Committee it was only after the matter had been thoroughly thrashed out in Council and had the approval of the present Minister of Railways, who, I understand, piloted this Bill through in another place. You will remember that the 1924 report suggested that communication should be had with all the Provinces. This came out in 1925, and I presume there was no further communication from the Province of Saskatchewan, as there was none from the other Provinces who gave evasive answers. Let us see what Mr. Gardiner said. On November 19, 1924, the Minister of Labour and Industries, as he was at that time, writes:

The Government of Saskatchewan is of opinion that an old age pension scheme for Canada can best be adopted by the Federal Government alone.

There is no co-operation there. He says in effect: "Our Government is of the opinion that if we are to have an old age pension scheme it should be run entirely by the Federal Government, and not mixed up with Provincial affairs at all." That is the view of the Government of Saskatchewan at that time. They did not suggest that a co-operative scheme would be advisable, they said: "If we are to have an old age scheme, it should be Federal and Federal alone."

There would seem to be so much difficulty in the way of providing any scheme that would be suitable to all the nine Provinces of Canada as to make it almost impossible.

I think Mr. Gardiner had a very square head on his shoulders when you remember that nine Provinces were involved. He said: "One scheme to apply to all those Provinces is practically impossible," which means, if it means anything, that such a scheme must be Provincial.

And it will be readily understood that if any number of the Provinces were to remain out, it would be almost impossible to adopt any scheme that would not subject those Provinces within the arrangement to considerable expense that should rightfully be borne by those outside the scheme.

In other words, the Province of Saskatchewan raised exactly the objections that have been raised in this debate.

While we are disposed to think that an old age pension scheme should be undertaken, the difficulties in the way of the suggested scheme appear almost, if not entirely insurmountable.

Now let us see what the Province of Alberta, another western Province, says—I will quote only part of it:

We are not prepared, however, to accept the recommendations of the Committee.

This is Mr. Hoadley, speaking for the Province of Alberta.

The three main objections are:

(1) We believe that the Federal Government should assume a larger share in the financing of an old age pension scheme, as it is more a Federal obligation than a Provincial one.

I do not agree with him on that. At any rate, he says the Federal Government should more largely finance the scheme.

(2) We are not satisfied that a non-contributing scheme is the best one.

In other words, he says we should very carefully consider the question of whether or not those who are to benefit should during their lifetime contribute. That is the point raised by the Leader of this side of the House.

(3) There is no guarantee that the Federal Government would continue for a definite time to carry out the mutual arrangements with respect to financing the scheme.

That means that there is no finality in connection with it.

Now, honourable gentlemen, I am not going to labour the situation at all. To me the heart of the thing is very simple. I doubt very much whether we should proceed with this legislation at this time: it is hasty; I think it is ill advised; I think until such time as the Provinces have had the very fullest opportunity of considering it from every possible angle, it should be delayed.

Personally, I am strongly opposed and always will be strongly opposed, to any encroachment by the Parliament of Canada upon the Provincial field of legislation. As I said at the outset, we should scrutinize this and every other piece of legislation very carefully to see that encroachment does not take place. For these reasons I propose to oppose the Bill.

Hon. G. D. ROBERTSON: Honourable gentlemen, there are, I think, a few things that may be said with respect to this question that have not as yet been mentioned. I am somewhat surprised, and have a great deal of sympathy for my honourable friend who leads this House, to think that a Government Bill should receive only silent support from those who surround him and who are supposed to be advocating and supporting this measure.

I greatly fear that the motives actuating honourable gentlemen in this House who are opposed to the adoption of this Bill will be misunderstood by many, perhaps by millions of people in this country. Honourable gentlemen have, I think, a fixed idea in their minds that they are opposed to the adoption of this Bill. I am opposed to very many features in it, but if this Bill is killed on the second reading in this House, the supposition on the part of millions of people is going to be that the Senate of Canada is opposed to the principle of old age pensions, and I do not think that is true.

It has been said that there is no demand for it. May I recall to the minds of honourable gentlemen the fact that for at least fifteen years, I think, representations have been made annually to the Government of Canada and to the Provincial Governments as well, and that roughly 400,000 organized workmen in this country have urged those Governments to enact old age pension laws. They have not assumed to decide where the jurisdiction lay, whether it was provincial, federal, or joint, but they have petitioned both Federal and Provincial Parliaments urging the enactment of such legislation.

And why was this? Looking over the countries of the world where similar laws have been passed, what do we find? We find a growing demand for legislation of this sort because of the growing need; and in the increased number of countries which from year to year are enacting such legislation we see an ever-increasing recognition of that need.

What are some of the reasons that bring about this changed situation and increasing need? To my mind, the principal reason is the ever-increasing encroachment of mechanical appliances which are replacing human labour. To-day men find themselves past the age of usefulness earlier in life than they did twenty-five years ago, and they find it increasingly difficult to secure positions to enable them to earn their own way and to maintain their dependants. So, because of the rapid improvement and more extended use of mechanical appliances, it is more difficult to-day for a man of from sixty to seventy years of age to earn his bread than it was twenty-five years ago. That is one of the reasons, among others, that might be mentioned as bringing the Governments of the various nations of the world to the point of adopting some form of old age legislation. So, it is true to say, and proper to remind Parliament, that there is need, and that that need has been expressed in the petitions that have been submitted for a substantial number of years.

It is perfectly true, as other honourable gentlemen have stated this afternoon and this evening, that no Province in Canada has made such a request. Naturally not, because the Provinces have recognized up to the present time that the obligation has been theirs to look after the old people within their own boundaries. Therefore they are not likely to come and ask the Federal Government to take over an obligation that up to this date is obviously Provincial.

Up to that point I am in full accord with the object sought to be attained by an Old Age Pension Bill. I am not going to discuss the question of jurisdiction at the moment: that has been well and ably handled by other gentlemen this afternoon. But I do hold that there should not be very much longer a shifting of responsibility, and a passing back and forth of the ball from Provincial to Federal authority. In my humble opinion the rapid progress that radical thought and radical movement make in this and other countries is too often due to neglect on the part of constituted authority to recognize changed conditions and to enact legislation necessary to meet the change.

I regard the question before this House now as one of determination of a principle. Are we or are we not in favour of the principle of an old age pension law in Canada? If not, then we should vote against the Bill; if so, we should support the Bill on the second reading, and then we will have ample opportunity in Committee or on the third reading to express our minds with reference to the Bill itself. But if we defeat the Bill on the second reading, then I fear that throughout the country it will be widely believed that this House is opposed to the principle of old age pension legislation of any sort, which I do not think is the fact.

I am going to mention only one or two of the things that I would oppose in Committee if the Bill reaches that stage. In that connection, I think the observation of the honourable gentleman from Regina (Hon. Mr. Calder) is well worthy of consideration, and

that some effort should be made to ascertain the views of the conference of Provincial Premiers now assembled in Ottawa.

As to my objection, I do not think any Federal law, especially along the line of social legislation, should affect the people who come within its provisions in one part of the country adversely and those in another part favourably. The Bill provides, as I recall it, that any person of seventy years of age or over, who has no income, or an income of less than a couple of hundred dollars, is entitled to a pension of approximately $20 a month as a maximum, provided he has resided in Canada 20 years. To that clause I have no objection. But if he had lived in the Province of Ontario 15 years and 6 months, and had moved to Quebec and lived there only 4 years and 6 months, that person would not receive any benefit although Quebec had adopted the pension law. If that person had lived in Ontario for 14 years, and in Quebec for 6 years, he would then be entitled to one-quarter of what he would be entitled to if he had continued to reside in the Province of Ontario. No business concern would think for a moment of applying any regulation to its employees that was so discriminatory as that. I think that must necessarily be remedied somehow.

Furthermore, there are approximately 220 concerns in Canada engaged in industrial, commercial and transportation pursuits who today have pension schemes under which between 300,000 and 400,000 Canadian workmen are eligible for pensions under certain conditions when they reach certain age limits. Most of those schemes are much more liberal than what is proposed under this law. Some of those large institutions are interprovincial in their character; and, supposing that they felt the burden of taxation that was added to them by reason of the adoption of such legislation as this, was such that they could no longer carry on their scheme, they might decide that they would withdraw their own. How would an institution of that sort view a Bill that gave relief to their employees in one Province, and denied to their employees in another?

To me the legislation is unsound, unless the principle of the old age pension is applicable fairly to every old person in need. Therefore, honourable gentlemen, I propose to vote in favour of the second reading of this Bill, because in so doing I believe I am endorsing what I believe in, namely, that there should be an old age pension scheme adopted in Canada, and that, if the Bill is defeated on the second reading, such action will probably at least postpone for a long time the day when such legislation will be enacted. On the other hand, if this House sees fit to endorse the second reading and to approve of the principle of old age pension legislation, and then goes into Committee on the Bill and finds it unworkable and that it must be remedied and put on some other basis, we would be helping toward a goal in which I think we all believe. Therefore, I hope honourable gentlemen may see their way clear to endorse the second reading of the Bill and to reserve their objections until the Committee stage.

Hon. J. J. HUGHES: Honourable gentlemen, I do not wish to give a silent vote on the question before the House, and it will take but very few moments to present the reasons for the vote which I intend to cast. In the first place—I have a little diffidence in saying this, but I think it will be all right —I was a little disappointed at the note sounded in some of the statements made by some of the honourable gentlemen on the other side of the House to the effect that the Government was influenced or dominated by two men in the other Chamber, and practically compelled to bring in this legislation. I do not think that is true; but, if true, in my opinion it would involve the Opposition in that domination, because I understand the Bill passed the other House unanimously. If any political party is to be censured, or is censurable for this legislation, they are all equally censurable—or perhaps I might go so far as to say that the Opposition would be a little more so.

Then, again, some of the honourable gentlemen who spoke on the question referred to the matter of emigration and, incidentally at least, referred to the fiscal policy, intimating that the fiscal policy of the country conduced to emigration. Apart from these slight imperfections, I think that the debate was conducted on a very high plane. I may say that, in the opinion of some, in fact in my own opinion, the fiscal policy advocated by some people in this country tended to enlarge the cities at the expense of the country, and tended to congestion in the cities, and this enlargement and congestion increased the number of persons who would need legislation of this kind. However, the present would not be the proper time to introduce questions of this nature, and I refer to them only because they have been touched upon. This Bill, I understand, passed the other House unanimously; therefore if ever there was a Bill that should be considered on its merits apart altogether from political questions, this is such a Bill.

Now, I am not a lawyer and will not attempt to say anything with regard to the rights of the Provinces under the Constitution. Still I cannot help thinking that this proposed legislation, to some extent at least, trespasses upon Provincial jurisdiction. The Senate, as I understand it, is specially charged with the protection of minorities and with the responsibility of seeing that the Constitution is fairly carried out as between the Federal power and the Provincial authorities. Therefore anything that even indirectly entrenches upon the political field should, and will no doubt, receive the careful consideration of this House.

I think that at the present time this is ill-advised legislation. My reason for thinking that has been already stated, but I will state it in my own words. This is to be a partnership between the Federal authority and the Provincial authorities, if it is to be anything at all. It is either a gift to the Provinces, or is it a responsibility, a burden, upon them. One thing is certain: the Provinces have not asked for it. I doubt the wisdom of offering a gift to a man if he has not asked for it, does not want it, and may not thank you for it. If it is to be a partnership, then I think the other parties should be consulted. If I decided to ask a man to come into business with me, I do not think it would be reasonable for me to lay down all the conditions, to arrange everything, and when I had all arranged to ask him to sign on the dotted line. A Committee appointed by the Commons recommended that the Provincial Premiers be consulted, and the Committee's recommendation was unanimously adopted by the House of Commons. I think Parliament should be careful, and should even consider the susceptibilities of the Provinces before passing legislation that in large measure, if not altogether, entrenches on their jurisdiction.

There is another reason why I cannot support this legislation. The Maritime Provinces at the present time, in my judgment, cannot possibly come into this. They are in no financial position to enable them to do it. Apparently Quebec does not want it. I do not think that Ontario wants it. We are told that the West does not want it.

Hon. Mr. COPP: They need not take it, then.

Hon. Mr. HUGHES: My honourable friend to my left says they need not take it. Why, then, do we ask them to take this thing? Why pass legislation of this kind? In my judgment it is ill-advised. I do not think it is the proper course for Parliament to pursue, and this body at least, the Senate of Canada, should not, in my judgment, concur in such legislation, under all the circumstances.

Some of the honourable gentlemen who have spoken this evening have expressed themselves in favour of the principle of old age pensions. They have not, however, said whether they would favour any legislation by the Federal Government. I infer that they would not—that they would oppose any legislation on that subject by the Federal authorities; that they consider it belongs entirely to the Provinces and that the Provinces should deal with it. If that is the attitude of these honourable gentlemen, they are quite consistent. If it is not the attitude they take —if they think that it is a proper subject for the Parliament of Canada to legislate upon, then in my opinion the honourable member who has just spoken has taken the most logical position, that this Bill should get the second reading and then be referred to Committee, and any objectionable features in it there eliminated.

For my own part, I oppose it. I intend voting against the second reading, for the reasons that I have given. I think that a matter of this kind should be entirely under the jurisdiction of the Provinces, and that after a conference with the Provinces, if the Parliament of Canada thought well to implement whatever the Provinces might do in the matter, then that would be another feature of the case that might well be considered on its merits. As the Bill stands now, I intend voting against the second reading.

Hon. GEORGE GORDON: Honourable gentlemen, to-day Canada is staggering under an immense liability, created mostly by the war and by the railways, and for this reason the Government cannot afford to be extremely generous, but should run the business affairs of the country on business principles. I believe that until the time comes when Canada can afford to abolish or make a radical cut in the income tax, it is not in a position to be very generous. I am going to vote against the second reading of this Bill because, in the first place, I believe that Canada cannot afford it, and, in the second place, because there is no demand from the Provinces for such a measure. Having said this much, I think that I have said enough to justify me in voting against the Bill, particularly when I believe that practically all the reasons which have been given here to-day by members opposing it are sound and well-advised.

Hon. JOHN McLEAN: Honourable gentlemen, I agree with what my honourable friend on the other side of the House (Hon. Mr. Hughes) said a few moments ago with reference to Prince Edward Island. When that province came into Confederation it had a population of 106,000. That population has decreased from year to year until at the present time it has only about 86,000. You can understand, honourable gentlemen, that it is not the old that have been moving out; it is the young and vigourous that have gone to the West, to the United States, and to other places. On Prince Edward Island. A hospital for the insane was bulit at a cost of something like $200,000. An infirmary for the old and infirm was built alongside of it, on a beautiful site. There are about 100 patients in that institution now. In the case of everyone who has applied, or for whom application has been made, up to the present time, and who has been considered eligible by the clergymen or others who knew the situation best, it has been found quite satisfactory to put him into that institution. No one has been refused. Now that Prince Edward Island has this infirmary, I would ask what the Federal Government would do. Would they buy that and take it off the hands of the Provincial authorities, or would they make the people of Prince Edward Island contribute perhaps three times as much as they are contributing now? They are contributing for about 320 in the asylum and about 108 in the infirmary; they are contributing to the institution for the blind at Halifax; and they are contributing for the deaf and dumb. They are carrying along these undertakings with their limited income. It would take at least one-half of the revenue of the Island to keep up this scheme if they came into it. I do not think it would satisfy any person on Prince Edward Island, whatever his politics might be. For this reason I intend voting against the Bill.

Hon. Mr. DANDURAND: Honourable gentlemen, I have listened—

Right Hon. Sir GEORGE E. FOSTER: Is my honourable friend closing the debate?

Hon. Mr. DANDURAND: Yes.

Right Hon. Sir GEORGE E. FOSTER: Then, if he will allow me, I shall take but a short time. I intend saying a word or two with regard to the reason why I am giving my vote. The ground has been travelled over most thoroughly, and nearly all the points, I think, have been taken up; but it is probably very true, as has been stated by one speaker here, that there will be criticism, and if one gives a silent vote he may be placed by public opinion in a category to which he does not belong. That does not trouble me now as much as it used to many years ago. But I have general objections to this measure. In the first place, I do not see how the Government can with any decency crawl out of the position in which it voluntarily placed itself by the appointment of the Committee, by the approval of its report, by the statement in perfectly plain English of the Prime Minister that it was the purpose of the Government to have a conference, obtain a report from that conference and bring it before Parliament, before legislation was introduced. Surely the Government must respect its preceding actions and the statements of its head, and the combined statement which was made by the action taken in the House of Commons itself. How is the Government going to reconcile itself to that position?

So I say that, in the first place, I am opposed to this Bill as it is introduced, because it is not based upon the best and most thorough investigation that could possibly be given the matter. The Government having made its statement with reference to the legislation, comes now, without any advance upon or increase in that information, and presents a Bill which it asks us to enact into law.

I am opposed to it, in the second place, because I do not think it is just or fair. The constitutional question is, I think, as clear as can be. If this Parliament, under the tuition of the Government, chooses to make a gift to one Province, or to all Provinces, I think that, if it legislates so as not to impose an obligation on the Province to which it makes the gift, the legislation is within its power. But is it expedient or wise to pass such legislation? My chief objection in this instance is that it follows out what is a growing and vicious tendency in our politics, namely, the invasion by one Government of the territory of another, or the duplication of what has been done by the other for a series of years. Seemingly the purpose is none other than to make party capital. That has been done over and over again in the Dominion of Canada. Provinces have duplicated what the Dominion Government was doing well—why? In order to make credit and gain support for themselves. And Dominion Governments have invaded the territory and duplicated the work that Provinces have been doing well, and for no other reason that can be given than that they desired to have the glory, the honour

and the support which came from that kind of legislation.

If one is allowed to speak of a neighbouring legislature, I do not think that there is a more interesting piece of work going on at the present time than what is taking place in the neighbouring country, the Republic to the south of us. At Washington, in these very months, it is as plainly apparent as it can be that consideration of the public weal and benefit are thrown to the background, if not entirely submerged, under the desire to construct the platform which will put the party properly and most strongly before the country in the coming elections. That same political tendency is shown in democratic countries everywhere, and so long as that is not curbed, and in proportion as it grows and the strife and duplication continue, you will have confusion and you will be marching every day closer and closer to the failure of democratic institutions. I think that safety is to be found only in each parliamentary power confining itself as closely as possible to the limits of its own constitutional territory and respecting the constitutional territory and limits of the provincial or state powers which are under it.

Therefore I ask myself the question: in Heaven's name, why has the present Government displayed such hectic haste in bringing this legislation before Parliament in order to fasten upon this country an initial expense of $25,000,000 which, once started, will grow until it runs into hundreds of millions of dollars? Are we so flush with money to-day that the Government will go out of its way in order to introduce and carry legislation which will add to rather than subtract something from the burdens which this country is carrying? It makes very little difference whether that $25,000,000 and more is entirely met by the Federal Government, or whether it is partly met by the Provincial Governments. It is something abstracted from the earnings of the people, and from the broad national point of view and the economic standpoint it makes very little difference from which treasury it comes. It will come out of the earnings of the people of this country, and surely the present is a time when we ought to be thinking of easing those burdens rather than adding to them. So I think that it is inopportune, inexpedient and absolutely unwise to undertake this legislation in this manner to-day.

I am just touching point after point. I am opposed to any system of pensions, old age or otherwise, unless you can add the element of a contribution from the ultimate recipient of the pension. I think that is healthy and wise. In this Bill there is not the least suspicion of going back, or of placing the Bill upon that principle. My honourable friend avowed his preference for a principle of that kind, but has not embodied it in the Bill. Search that Bill through from beginning to end, and you find nothing which gives a guarantee that a pension is paid to a recipient who has earned it by an industrious life, a moral life, a life which has respected law and order. The man who gets $20 a month under this Bill may be one who has graduated in every criminal profession in the country, who has paid his penalties or escaped them, and if he has lived to be 70 years of age and has fulfilled the conditions as to residence, he gets his pension exactly the same as does the man who has been industrious and moral, who has respected the law, who has done his part zealously and honestly to make the country better. That is the only claim on which he ought to get a pension.

I do not quite agree with my honourable friend from Toronto (Hon. Mr. Lewis) who says that the labouring man, the man who labours with his head or hands in any way, has just as good a right to a pension from the country as has a judge. I think there is a difference. We appoint a judge to do certain work for the public. He undertakes that work; he takes the salary, not always of the highest, and does that work for the public for 10, 20 or 30 years. It is a part of his remuneration for the work which he does that he shall get annually so much from the country which employs him, and that at the end, when he is out of duty, he shall have a moderate pension. The same applies to the civil servants. The banks also do that for their employees, but they do not go out and give a pension to a man who is not their employee.

So there is a difference in the basis, and I think we must recognize that difference. One often hears it said: "Why not give a pension to the labouring man, who comes to a certain age and cannot work any more, the same as you give to a judge or a civil servant?" But the bases are absolutely different. These have been employed by the Government and have done the work for the Government, representing the public, and in their salary and pension they are getting remuneration for it. But the other man has not been employed by the public; he has been employed by himself for his own purposes, his own gain, his own living; and while he may have made a very valuable contribution to the country in the

way of added investment and added production, he is on an entirely different basis from the man who is employed and paid by the Government, and as a part of his pay gets a pension after he has served out his time.

Then, there is no distinction or discrimination in this Bill between the man who is reputable and industrious and honest, and has been so all his life, and the man who has been a wastrel and spendthrift. Can you point out such distinction anywhere in the Bill? No, neither in the body of the Bill nor in that clause which gives the Governor in Council power to pass certain regulations. Is that fair or just? I do not think it is. Therefore I am opposed to this legislation because it does not embody what I think is a most helpful and necessary discrimination as to the subjects of its pensions, or bounties, or whatever you may call them.

I look again to the United States of America. They live in this new atmosphere in which we live. They are a new country with great resources, illimitable opportunities, and all that. The United States have become a people of 121,000,000, and yet in vain we search in their Federal statutes for an Old Age Pensions Bill. Is that true, or is it not? Go and find the records, and see whether the federal power of the United States has ever passed an Old Age Pension Act. In fact, if you go to the several States you do not find that very many of them have Old Age Pension Acts. Some have, and more have not. There is the example of a country whose people are living under much the same conditions as ourselves, and they have passed all the years of their existence without finding any necessity for the Federal power to enact a Bill for old age pensions. Wisely they have left that to the family first, to the municipality second, and to the individual State in the third place. That is the natural source to which to look for the sustenance, help, comfort and providence for old age and sickness among the members of the community.

I look with a great deal of anxiety upon the gradual innovations that the state is making in the way of doles, upon the primal duty of the family, and that next duty of society or the municipality, and then of the province, to look after its people. I do look upon that with a great deal of anxiety. As that system grows you detract from that primal source of sympathy and obligation which my friend from Quebec (Hon. Mr. Beaubien) well emphasized this afternoon, and thus out of the family is taken the finest of its flavour and the finest of its moral fibre, when it forgets to look after the father and the mother and the old people who have sustained and cherished the family from infancy up. Any interference of the state, any public influence which would take away that duty from the family and the near family—the municipality—robs both the family and the municipality of the finest flavour and finest virtue that it possesses. Why should we rush in to do this? I cannot conceive why.

These are briefly my reasons for opposing this legislation. In the first place, because we have not been treated squarely by the Government itself. It has hastily determined upon a course which less than a year ago it had absolutely declared it would not take, and it has determined on that course, not because of further investigations by committees, commissions, conferences, or any method of arrangement with the parties chiefly interested—the provinces. It has done it off its own bat, and the strange thing is to learn that the Prime Minister, who in one breath says that they will communicate with the Premiers of the Provinces and get a conference with them, and will have a report and place it before Parliament, and in the next breath says that he does not propose to be chasing around any longer after these provincial Prime Ministers.

Now, what kind of a system, in uniformity, will you have? When this Bill goes out it may be applied in one of eleven Provinces, and not in any of the others—because the Yukon is taken in, and there is provision in the Bill also for the Northwest Council. So you have 11 entities with regard to any one of which there is not a scintilla of evidence that they propose to take advantage of this scheme. In fact, all the evidence is the other way—that they are opposed to it, and that they do not propose to take advantage of it, and become partners in this kind of legislation.

For these reasons, I feel that this Bill ought not to be pressed, and as far as I am concerned I propose to vote against it.

Hon. Mr. DANDURAND: Honourable gentlemen, I have listened with interest to the debate which has been carried on to-day over the motion which I made for the second reading of this Bill. I may say that I intended to answer some of the arguments that have been advanced against the Bill, without covering the ground which I traversed when I moved the second reading.

The right honourable gentleman, the junior member for Ottawa (Right Hon. Sir George E. Foster) has made an argument which must draw some comments from me. He has stated that one objection he saw to this Bill was that there was a uniform treatment of

all men who reached 70 years of age, and who were in need of a pension—those men who had not been able to save such a capital as would give them $365 a year.

The right honourable gentleman saw quite well that the state should take care of the civil servants. He realized that there was a relation existing between the Civil Service and the state, represented by Parliament; also that the banks and other large corporations provide for their employees, because there was a contact between the employees and the patron or employer. But he could not see the same relation between the man who works down below, at the basis of the triangle which forms society, and his employers, as he sees in men who come into more personal contract with their employers. I desire to stress a little this expression of opinion, and to labour it somewhat and see where we divide.

Yes, we members of Parliament feel that we must do something for the man who works for the state, throughout the departments, and under this roof, because there is that human element and personal contact. Yes, the corporations who employ officials feel, through that personal contact, that they must do the fair thing by them when they are in illness, and when they reach old age. It is just because between the masses, the men who labour, the men who are in the rain, yet who may be in sheer want and starvation by reason of lack or delay of employment, and their employers there is not that personal contact, that there is the greater need for such provision as is made in this Bill.

Think, I say, of the difference between these masses of workers and those men whom the right honourable gentleman has mentioned as being entitled to that measure of sympathy from the employer—those who are not in the rain; who from day to day attend to their duties from nine o'clock until five; who may be sick or may feel ill at ease, or somewhat under the weather, but who are allowed a holiday; who know that to-morrow they will have their salary, and that they will always have it. They are employees of the state or of a bank. They know what that human contact means. They know that the employer is a human being with a heart in his breast who will do the right thing by them.

Think of the difference between the masses and those men whom the right honourable gentleman has declared to be entitled to a pension in their old age because of that personal contact; who have been all their lifetime every morning walking to their offices, who have done their day's work, and who feel that they can return in the evening to their homes, convinced that on the morrow they will go back to that employment. Yes, they are safe in their employment. They realize the continuity of their employment. They are not threatened by the thought that next week or next month they may receive notice that their work has ceased.

My right honourable friend says that all those men are justly entitled to fair consideration from the employer, but the masses, the men on the farms and in the shops, the men who build this country, have not that personal contact. Before mechanism came into this world, work was done by little groups under the eye of the employer, or in small shops under the eye of the patron. There was then that human feeling between them. But now thousands of men are brought within four walls; the Board of Directors is far distant, the manager is far away from them, and yet they do their toiling; they work for the whole country. These are the men working in various construction works, and in various directions building up this country, and also working on the land as farm hands. These are the men who build up the cities, but they have not that personal human contact of the employer by their side. To-day democracy feels that it must do something for them and take the place of the employer of those men who have not the benefit of that personal contact. That is why various Parliaments have been prompted to do something for them. We have it in Great Britain; we have it in Australia and in New Zealand, new countries like our own. We are told there is no demand. No, there is no demand from those who have no need; but, as the ex-Minister of Labour knows, the trade and labour unions, who have that personal contact with the man who works in the street and in all kinds of weather, have for a number of years clamoured for that help.

Now, I should like to refer to a Royal Commission which was appointed by my right honourable friend (Sir George E. Foster) and his colleagues in 1919. That Commission, which was composed of Hon. Mr. Justice Mathers, as Chairman, Mr. Carl Riordon, Charles R. Harrison, Tom Moore and John W. Bruce, made the following recommendation:

> We recommend immediate inquiry by expert board into the following subjects, with a view to early legislation:
>
> State insurance against unemployment, sickness, invalidity and old age.

Then, following that report, there was a National Industrial Conference which was presided over by my honourable friend the

ex-Minister of Labour (Hon. Mr. Robertson) in the very halls of Parliament, in the Senate of Canada, where, in addition to the Minister of Labour, there were the following representatives of the Government of Canada.

Hon. Charles J. Doherty, Minister of Justice, Hon. N. W. Rowell, President of the Privy Council, and Hon. Arthur L. Sifton, Minister of Public Works.

There were also present the following representatives of Provincial Governments—

The Provincial Governments were there, also employers and employees, and a recommendation was adopted unanimously and signed by W. R. Rollo, Henry Bertram, W. E. Segsworth, Kathleen Derry, J. S. McLean, R. C. McCutcheon, F. H. Whitton, G. Frank Beer, as follows:

This Committee unanimously endorses the recommendations of the Royal Commission on Industrial Relations that a Board or Boards be appointed to inquire into the subjects of state insurance against unemployment, sickness, invalidity and old age.

For the effective carrying out of the above this Committee recommends:

1st. That such Board or Boards shall be representative of the interests participating in this Conference, viz., the Government, the public, the employer and the employee, and shall include a representative of the women of Canada.

2nd. That in order to collect necessary data, the Government shall forthwith attach to the proper branches of the Labour or other Departments concerned experienced investigators, who shall do the necessary research work and furnish to the Board at the earliest opportunity the results of their investigations.

The House of Commons has for many years examined into this question. Committees have been appointed which worked for weeks upon this problem. Surely there must be a cause for all this urging, all these appeals. When we see other countries moving in the same direction, is it not natural that the Government of this country should interest itself in the question? Now we are told: "But last year there was a report which suggested that the Prime Ministers of the Provinces should be called in conference, and the Prime Minister of the Dominion said that he would have that conference during the recess and would come before this Parliament with the results of their deliberations." But there was no conference; there was a dissolution of Parliament. We are now a new Parliament.

My right honourable friend (Right Hon. Sir George E. Foster) says, "We have not had a square deal." But what is the function of the Senate if it is not to examine into the measures that come before it from the House of Commons? The Prime Minister and the leaders of the other parties in this country had no promises to make to the Senate of Canada. They had to try to satisfy public opinion. So the Government decided that it would bring a concrete Bill before Parliament in order to submit to it the will of the people of Canada crystallized into an Act. And why does the Government dispense with the confirmation of the Prime Ministers of the Provinces? It is because various answers have been received from the various Provinces which make it apparent that it is impossible for the Provincial Premiers to agree upon a formula which would combine all their views. The Government now says: "This is what Parliament is ready to do to help the various Provinces." It does not coerce them, but simply states what it is ready to do; knowing that there could be no uniformity otherwise, it has brought down this Bill. It may have been wrong, but there is a presumption that it is right.

This Bill has behind it the unanimous mandate of the House of Commons, and I was surprised to hear one or two honourable gentlemen say that it was the conception, the will and the work of two members of Parliament whose support the Government needed. We all recognize that it is dangerous to attribute motives. As the honourable gentleman from Prince Edward Island who sits behind me (Hon. Mr. Hughes) says, how is it that those two members would have such an influence not only upon the Government but upon the whole of their colleagues in the House of Commons? I take it for granted that those who are not supporters of the Government in the other House acted in all sincerity. If that is so, does not this Bill come here with a formidable endorsation—a Government Bill supported by all the opponents of the Government in the other House? If anyone dared suspect the sincerity of those gentlemen, would not the fact that they voted for this legislation be an evidence that there was a very strong feeling in support of the measure, inasmuch as in doing so they did not express their own views?

I take it for granted that members of the House of Commons without any exception feel that there should be a movement of sympathy made towards the toiler. Men have been rich and have come down; men have been thrifty for years, and have deposited their money in the Home Bank, or with men in whom they had confidence, and have lost their all; men have been unlucky. But these men have brought up families of five or ten children; and, as I said when I opened the discussion, we have tens of thousands of men of seventy years of age who feel that they are dependent upon their relatives or others, and that they are a burden, and they sometimes wonder if there is not in the minds of

those who support them the hope that their lives will soon end. This is what we see all around us. But I will not stress the point.

The Senate is here to examine all measures that come from the House of Commons; but I say that when there is a movement throughout the world in favour of those men who have not had the opportunities enjoyed by honourable gentlemen within the sound of my voice, such a movement must be commended. A majority of this Chamber may believe that the time is not opportune for the presentation of this measure, or they may not approve of the form of it; but I believe that the fact that it is presented here with the unanimous endorsation of the other House merits for it a fair measure of consideration from the members in this House.

The motion of Hon. Mr. Dandurand for the second reading of the Bill was negatived on the following division:

CONTENTS

Honourable Messieurs:

Béland,	Lewis.
Belcourt,	McArthur,
Buchanan,	McCoig,
Bureau,	Molloy,
Copp,	Pardee,
Dandurand,	Rankin,
Farrell,	Robertson,
Hardy,	Robinson,
Haydon,	Ross (Moose Jaw),
Lavergne,	Watson.—21.
Lessard,	

NON-CONTENTS

Honourable Messieurs:

Aylesworth (Sir Allen),	McCormick,
Bénard,	McDonald,
Black,	McLean,
Blondin,	McLennan,
Bourque,	McMeans,
Calder,	Mulholland,
Chapais,	Planta,
Crowe,	Pope,
Daniel,	Reid,
Donnelly,	Ross (Middleton),
Fisher,	Schaffner,
Foster,	Sharpe,
Foster (Sir George),	Smith,
Gillis,	Stanfield,
Girroir,	Tanner,
Gordon,	Taylor,
Green,	Todd,
Griesbach,	Turriff,
Hughes,	Webster (Brockville),
Kemp (Sir Edward),	White (Inkerman),
Lynch-Staunton,	White (Pembroke),
Macdonell,	Willoughby.—45.
Martin,	

Hon. Mr. TURGEON: Honourable gentlemen, I am paired with the honourable member from Montarville (Hon. Mr. Beaubien). Had I voted I would have voted for the motion.

Hon. Mr. TESSIER: I am paired with the honourable gentleman from Victoria (Hon. Mr. Barnard).

SOLDIER SETTLEMENT BILL

REFERRED TO SPECIAL COMMITTEE

On the Order:

House again in Committee of the Whole on Bill 17, intituled: "An Act to amend The Soldier Settlement Act, 1919."—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: My recollection is that there are some difficulties in the way of moving from Committee of the Whole into a Standing Committee. It was for that reason that I concurred in the suggestion that the Committee should report progress. Now my honourable friend (Hon. W. B. Ross) is in order in moving for a Special Committee.

Hon. W. B. ROSS: My intention was to move that the Bill be referred to a Special Committee, and I promised to furnish the names to-day. I move:

That this Bill be referred to a Special Committee consisting of Messrs. Dandurand, Robertson, Béique, Sir George E. Foster, Belcourt, Macdonell, Calder, Griesbach, Murphy, Watson, McMeans, White (Inkerman), Taylor and the mover.

The motion was agreed to.

FARM LOAN BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 148, an Act for the purpose of establishing in Canada a system of Long Term Mortgage Credits to Farmers. He said:

Honourable gentlemen, the passage of this Bill will bring Canada into line with a movement, almost world-wide, to provide cheaper mortgage credit for the agricultural industry than is available through the ordinary loaning agencies.

1. Mortgage Credit in Europe.

In Europe, loaning institutions operated or encouraged by the State have existed for many years.

Germany.

In Germany, a system of co-operative farm mortgage associations dates back to the latter half of the eighteenth century and has developed into a system of great strength having loans outstanding in 1920 of nearly $1,000,000,000 (at par).

The associations are composed solely of borrowers whose mortgages are collectively held as security for farm mortgage bonds sold to the public. There is joint, and practically unlimited, liability on the part of borrowers for the payment of interest and redemption of principal of the bonds so that the bonds are marketable at low rates of interest. In addition to these co-operative associations there are in Germany Mortgage

Credit Banks established under State or Provincial authority and issuing bonds guaranteed by such authority. The proceeds of the sale of bonds are loaned on farm mortgage or to municipalities.

There are also Savings Banks managed by public authorities which loan their funds received as savings deposits on farm and other mortgages.

France.

In France, we have the Crédit Foncier, a joint stock company, but subject to strict control, especially as to interest rates, by the Government of France. This institution issues its bonds to the public and loans on mortgage at a rate not exceeding 6/10 of one per cent in excess of the bond rate. The borrowings by way of bonds cannot exceed twenty times the capital of the company. The mortgage rate is about 5 per cent. The capital is 250,000,000 francs.

Great Britain.

Until recent years long term mortgage credit has been regarded as a field for private enterprise, but in the Agricultural Credits Act of 1923, there is provision for long term loans to farmers purchasing farm lands at rates of interest fixed by the Treasury. This Act has however been largely inoperative.

Since the passage of the 1923 Act, further inquiry and investigation into the question has been made and a Report on the investigation by Mr. R. R. Enfield has been issued by the Ministry of Agriculture a few months ago. This report contains the following:

> Great Britain occupies an almost unique position in having no standard machinery of long term agricultural credit based on farm mortgages—with the exception of the restricted machinery provided under Section 1 of the Agricultural Credits Act, 1923. Farmers in the past have obtained mortgages on their farms from solicitors, banks and others, but have always felt some uncertainty as to period such loans will be allowed to run, and there has been no uniform method of redemption, which has proved in many cases to have acted detrimentally upon farming practice.
>
> To provide credit for the purchase of farms or the execution of "permanent" improvements, it is proposed to apply the principle of the Mortgage Credit institutions in Germany or of the Federal Land Banks or Joint Stock Land Banks in America.
>
> It is proposed that a Central Land Bank should be established, the object of which would be to make long term mortgage loans through the joint stock banks and their branches, and to raise money for the purpose by the issue of debentures to the public.
>
> The Bank should be governed by a Board of Directors and should be empowered to lend money up to a prescribed period, secured upon a first mortgage upon agricultural land and buildings. It should be empowered to issue debentures to the public based upon these mortgages, up to a fixed multiple of its capital and surplus funds, thus creating a recognized means through which capital might be invested in agriculture. . . . . .
>
> The scheme of the Central Land Bank should have the following advantages:
>
> (a) It would establish for the first time in this country a uniform standard system of long term mortgage credit for agriculture.
>
> (b) It would give new facilities to farmers who wish to purchase their holdings, by providing mortgage credit at a reasonable rate of interest, in a standard and universally applicable form, and free from the risk of unexpected foreclosure.
>
> (c) It would create a standard agricultural investment, thus opening up a new channel through which capital could enter agriculture.
>
> (d) It would be administered through the joint stock banks and would have the benefit of their knowledge and experience; it would be simple and secret.

Other European Countries.

Mortgage systems in other countries in Europe are for the most part modelled after the German or French systems so that it is unnecessary to describe them in detail. The significant fact is that some such system has been found necessary and advantageous for the farming industry in practically every modern country.

2. Mortgage Credit in Other British Colonies.

Australian Commonwealth.

In Australia, most of the farm mortgage systems are operated by the State Governments although assistance is given by the Commonwealth to the States in connection with the Returned Soldiers Settlement Act.

Western Australia has had a farm loan bank since 1895. Mortgages are limited to £2,000 and run for 30 years.

Queensland makes loans to farmers as individuals and also to co-operative associations engaged in manufacturing farm machinery, and other equipment. Interest is payable at a rate of 5 per cent and mortgages run for 20 years.

South Australia has passed five or six different Acts providing for farm mortgages, the maximum amount of advances authorized varying from £50 to £5,000.

Victoria has a State Savings Bank with a farm mortgage department making loans up to a maximum of £2,000 and authorized to sell farm loan bonds to the public. The interest rate is 5 per cent and mortgages run for 40 years.

New South Wales has a similar bank with similar powers.

New Zealand.

State loans to farmers in New Zealand date back over thirty years under various Acts, but in 1923 the "State Advances Act" combined them all in one. Loans under this Act are made on the security of farm first

mortgages, the maximum loan being £2,000 but not exceeding sixty per cent of the value of the property. The interest rate is 5 per cent and the amortization payment 1 per cent, making the gross rate 6 per cent to repay the loan with interest in 36½ years. Partial repayments in advance of instalments are permitted without penalty. Loaning funds are obtained direct from the State which is authorized to borrow for the purpose, with limitations, at a rate not exceeding 5 per cent. As the loaning rate is also 5 per cent it is apparent that the cost of administration falls upon the State. Loans outstanding exceed £7,000,000.

Union of South Africa.

Since 1912 the Union has had a Federal System of farm mortgages under a Central Board but with branches in each of the constituent former states making up the Union. As the conditions under this system are probably more like the proposed Canadian system than those of the other colonies, the results of the operation of the system may be looked at in some detail.

The system is operated by the Land and Agricultural Bank of South Africa, established in 1912 and taking over from somewhat similar state banks a capital of about £2,700,000. Since then its capital has increased by contributions from the Union until at December 31, 1924 it stood at about £7,700,000 or $38,000,000. In addition it has deposits and outstanding bills amounting to about £300,000.

The average rate paid by the Bank to the State on its funds is about 4½ per cent. The rate of interest on loans is 6 per cent. Prior to 1921 the rate was 5 per cent. The average rate for the year 1924 was approximately 5½ per cent.

Outstanding loans to individuals at December 31, 1924 amounted to £7,900,000 and to co-operative societies and companies £700,000 making a total of £8,600,000 or say $41,000,000.

The Bank started in 1912 with a reserve of £76,000 which has been added to every year until it now stands at £620,000 or over 8 per cent of the capital.

Hon. Mr. BELCOURT: Would the rates include both capital and interest? I refer to the different rates that the honourable gentleman has given covering interest and amortization.

Hon. Mr. DANDURAND: It is simply the rate of interest. I have not mentioned amortization.

The administration expenses for the last five years have averaged about .75 per cent the mean funds under administration. For 1924 this expense was made up as follows—(assuming mean funds £8.200,000):

		Percentage of Mean Funs
General Expenses of Managament (including salaries, stationery, subsistence, transport, advertising, postage telegrams, railways, law costs etc)..	£52,952	.65%
Fees paid to Board Members.. ..	4,725	.06
Cost of Inspections..	4,619	.05
Total..	£62,296	.76%

The Revenue Account for the year 1924 may be summarized as follows:

Interest earned..	£456,509	
Rents and fees..	12,170	
		£468,679
Interest payable..	£332,676	
Administration Expenses..	62,296	
Grants to Agricultural Unions.. ..	2,000	
		396,972
Profit, transferred to Reserve..		£71,707

Of the interest earned in the year £52,945 was past due at December 31, but of these arrears it is stated that £22,462 was collected before Feb. 19, 1925, leaving £32,116 in arrears or approximately 7 per cent of the interest earned. Interest overdue more than one year is apparently not carried into the accounts. As to this the report states:

> A statement of all amounts that were overdue more than a year at December 31, 1924 has been laid before Parliament. The amount is admittedly large, but in view of all the circumstances, the board regards the position as satisfactory.

Real estate on hand at December 31, 1924, appears at £8,240. Sales proceedings were taken during the year in fifty-four cases. In forty of these the properties sold for more than the Bank's claim, and of the balance taken over, nine were sold at a profit and five held for sale. The total number of properties sold since 1912 is 253. The average amount of loan is about £600.

The use made of the proceeds of loans by borrowers may be gathered by the following analysis of the loans made in 1923:

Proceeds used for improvements..	£ 77,715
Proceeds used for purchase of stock..	184,571
Proceeds used for discharge of existing liabilities..	645,956
Proceeds used for purchase of land..	562,088
	£1,470,330

The Bank is managed by a Managing Director and a Central Board composed of a Chairman and five other members all appointed by the Governor General. The Head Office is in Pretoria, but local boards for advisory purposes are established in areas as follows:

For the Cape—Western Area, at Cape Town.

For the Cape—Eastern Area, at Port Elizabeth.

For the Orange Free State Area, at Bloemfontein, and

For the Natal Area, at Pietermaritzburg.

Each local board is nominated by the Governor General. At December 31, 1923, the total staff of the Bank numbered 79.

3. Mortgage Credit in the United States.

A number of States of the United States have for some years operated mortgage loan departments or Boards, but as the operations of these have been somewhat overshadowed by the Federal Farm Loan system, upon which our Bill is to some extent modelled, it is necessary to consider mainly the Federal Act and the results attained up to date.

The Federal Farm Loan Act of the United States was passed on July 17, 1916 as a result of reports made in 1913 by two Commissions, one appointed by Congress and one representing the Southern Commercial Congress, which investigated rural credit systems in Europe and elsewhere. Loaning under the Act commenced in 1917 so that the system is now in its tenth year of operation.

The Act authorizes the appointment of the Federal Farm Loan Board composed of the Secretary of the Treasury as chairman and ex-officio member, and six other members all appointed by the President. This Board is supervisory only. The detailed administration of the Act is vested in twelve Federal Farm Loan Banks each operating in prescribed states and together covering the entire nation. These banks are located in Springfield, Mass., Baltimore, Columbia, S. C. Louisville, New Orleans, St. Louis, Wichita, Kan., Omaha, St. Paul, Spokane, Berkeley, and Houston.

The Banks are managed by boards of directors of seven members, three of whom are appointed by representatives of the borrowers, three by the Farm Loan Board and a seventh by the Farm Loan Board on the nomination of representatives of the borrowers.

Each bank received at the outset from the Government approximately $750,000 of capital or about $9,000,000 in all free of interest and repayable from time to time out of earnings. This capital is increased as loans are made by 5 per cent of the loans, deducted from the advances and repaid when the loan is finally discharged, in the meantime credited with such dividends as may be declared by the directors. The bank is authorized to sell its bonds to the public to the maximum amount of twenty times its paid capital.

Loans are not made by the Bank direct to individual borrowers. Prospective borrowers are required to associate themselves to the number of 10 or more in National Farm Loan Associations of which nearly 5,000 have been incorporated. Borrowers must subscribe and pay 5 per cent of their loans to the capital stock of their association and become contingently liable for an assessment of another 5 per cent. Before the Bank will grant a loan to any borrower, his application must be guaranteed by his Association and the Association must subscribe and pay 5 per cent of the loan to the capital stock of the Bank.

In practice the Bank after approving the application of the borrower endorsed by his Association, advances 95 per cent of the loan authorized to the Association, the other 5 per cent being credited to the Association as capital of the Bank. The Association thereupon advances to the borrower the amount received by it from the Bank and at the some time credits the borrower with 5 per cent of loan as capital of the Association. The result is that while individual borrowers are not shareholders of the Bank, their Associations are, and they, as shareholders of the Associations will receive through the Association such dividends as are declared by the banks upon the 5 per cent of their loans, less any portion of such dividends as may be absorbed by the Association for expenses.

It will be seen that the principle on which these banks are formed is that of co-operation with, and to a limited extent collective liability on the part of the borrowers. It therefore partakes somewhat of the nature of German land banks. It was realized, however, that many borrowers would not participate in such a system and the Act therefore authorizes the incorporation of Joint Stock Land Banks with a minimum capital of $250,000, operating largely free from the restriction of the Board and authorized to issue bonds to the extent of fifteen times their paid capital. These Banks loan direct to borrowers with any capital subscription or contingent liability by the borrowers. They charge somewhat higher rates of interest and make larger loans than the Land Banks and profits go to the shareholders. They resemble more nearly the Crédit Foncier in France.

The foregoing organizations deal with long-term mortgage credit. The Act also deals with shorter term credit, and authorizes the formation of Intermediate Credit Banks. As our Bill deals only with long term credit, it is unnecessary to deal with the Intermediate Credit section of the United States system.

What have been the results to date of the Federal Farm Loan system?

1. Federal Land Banks.

The total loans outstanding at December 31, 1925 amounted to $1,005,684,816.

The farm loan bonds outstanding amounted to $982,192,440.

The loans made have been used by the borrowers for the following purposes:—

	Amount	Percent of Total
For Purchase of Land Mortgaged	$ 96,058,342	9%
For purchase of other land	11,505,232	1
For buildings and improvements	57,677,118	5
For implements and equipment	11,055,933	1
For bank stock	54,666,591	5
To purchase live stock	20,411,782	2
To pay off mortgages	711,579 926	65
To pay other debts	128,641,010	12
For other purposes	1,752,067	..
	$1,093,348,001	100%

Loans have been made at rates varying from 5 per cent to 6 per cent. Two of the banks are now loaning at 5 per cent, one at 5¼ per cent and the others at 5½ per cent.

Hon. Mr. BELCOURT: That includes amortization?

Hon. Mr. DANDURAND: Amortization periods vary from 5 to 40 years. The Government's initial capital of $9,000,000 has been reduced to $1,331,930. Borrowers' capital now stands at $52,437,638.

Net earnings of all the banks from the commencement until Dec. 31, 1925, have totalled $34,964,937 which has been disposed of as follows:—

Dividends on borrowers capital	$14,590,536
Foreclosed real estate written off	6,398,735
Reserve for delinquent payments	1,062,160
Written off bank premises	148,394
Legal reserve	8,309,000
Undivided profits	4,456,112
	$34,964,937

The net earnings for the year 1925 were $9,127,235 out of which dividends of $3,823,595 were paid or a rate of approximately 8 per cent on the paid capital.

None of the banks carry in their accounts foreclosed real estate, all being written off as it is acquired. In the case of one bank, in 1925, this policy made it necessary for the other banks to relieve it of approximately one half of its real estate.

The consolidated financial statement of the banks does not analyze the delinquent instalment payments to show the due dates of the arrears but the figures for one of the largest of banks are available:—

Net mortgage loans in force	$117,751,428
Delinquent instalments 90 days or more overdue,	
principal	28,846
interest	117,970
Total, fully reserved	146 816
Percentage of total loans	.12%

Farm loan bonds are issued at a nominal 4½ per cent rate but at present they command a market price to bring the yield rate to 4¼ per cent or less. All the bonds are exempt from Federal State and Municipal taxation. This feature no doubt is largely responsible for the favourable interest rate on farm mortgages under the system.

The reports of the Board indicate that the National Farm Loan Associations tend to become inactive once the earlier members have obtained their loans and that a very large proportion do not hold even their annual meetings. It has also been charged that some of the Associations made excessive inroads for expenses upon the dividends received from the Banks before passing on the dividends to their members as dividends upon their own capital stock. The hand-book issued by one of the Banks for the use of associations tributary to it contains a warning that the dividends received by the associations from the bank should be used only to a limited degree, if at all, for the operating expenses of the associations, and draws attention to the fact that the Farm Loan Board has given notice that if it found an association using more than one-quarter of its dividends to meet operating expenses, it will require such association to finance all of its expenses from dividends, and deny it the privilege of charging application and loan fees. These fees are limited to 1 per cent of the amount of the loan at the outset; transfer fees in connection with land sales not exceeding $10; partial release fees not exceedings $2.50. The association is required to pay to the bank a loan fee of half of one per cent of the amount of the loan with a minimum of $5 and a maximum of $25, this loan fee being withheld from the proceeds of each loan.

I give these details not only for the information of the Senate, but also because if this Bill becomes law the various Provinces which will be called upon to decide as to the plan under which they should function may gather some data and experience from the operation of those cooperative associations, because the Bill as framed does not mention the co-operative plan. It seems to indicate payment direct to the individual, but any Province may decide to follow the American plan

2. Joint Stock Land Banks.

Eighty joint stock land banks have been chartered of which fifty-three were in active operation on December 31, 1925. The balance have been either liquidated or merged with other banks.

The total loans in force amounted to $545,559,200, and the farm loan bonds outstanding to $516,143,700.

The total paid-up capital amounted to $41,595,626.

The rate of interest charged to borrowers varies from 5½ per cent to 6 per cent and the rate payable on farm loan bonds from 4½ per cent to 5 per cent.

The maximum loan is $50,000 as compared with $25,000 in the Federal Land Banks.

Of course, these loans are made direct to the individuals.

It will thus be seen that the two branches of the Federal system account for about $1,500,000,000 of long term farm loans. It has been estimated that the farm mortgages in force in the United States total $6,000,000,000 so that the Land Banks have approximately 25 per cent of the total farm mortgages in the country.

The effect on the rate of interest on farm mortgages in the greater part of the country would appear to be very marked. Competent authorities who have investigated the question of interest rates state that in several of the States rates of interest on farm loans averaged 8, 9, and 10 per cent. These rates have, by the operation of the Federal system, been reduced to not more than 6 per cent on Federal loans, and the competition induced by the operation of the system has depressed interest rates charged by private lenders to almost a similar extent. In other parts of the country such as the Eastern States the effect on interest rates has probably been negligible as the prevailing rates on farm mortgages before the establishment of the system did not exceed the rate now charged.

The introduction of the long-term feature has also been of value to the farmer in relieving him from the danger of being unexpectedly called upon to repay his loan. While short term loans are as a rule renewed without question where the security is satisfactory, there is a contingent liability of which the farmer is glad to be relieved.

In view of the results attained under the American system and of the similarity to a certain degree of the conditions prevailing in Canadian agriculture, it was considered advisable to avail ourselves of the experience of that system in framing the Bill now before the House, to keep what seemed good and had stood the test of time and to eliminate what had proved to be impracticable of unsatisfactory.

The Bill before us in its general lines is framed upon the principles embodied in the Federal Farm Loan Act. There are, however, important exceptions—

1. The Canadian Farm Loan Board, authorized by the Act, is composed of the Minister of Finance as Chairman; one Member, the Chief Administrative Officer, designated the Canadian Farm Loan Commissioner; and two other Members, all appointed by the Governor in Council. This body is made a body corporate and politic and will of itself make loans to farmers and sell farm loan bonds. It therefore combines the functions of the Federal Farm Loan Board in the United States and the twelve banks of the system. This was deemed desirable in view of the probably small proportion of loans under the Canadian system as compared with the American system. The greater concentration will, it is believed, make possible a minimum operating expense.

2. The question as to whether loans shall be made on the co-operative system as in the Federal Land Banks, or on the individual system as in the Joint Stock Land Banks, is left to the determination of the province in which the loans are made. Before operations are commenced in any province, the province is required to declare by legislation whether loans shall be made on the one system or on the other, or both together. The duty of devising machinery for the organization of co-operative associations, if that plan of loaning is decided upon, will fall on the province, subject, however, to the approval of the Board. It was felt that to impose a hard and fast system along either line might be unduly hampering to the Board, especially as it is evident that there are strong views held in favour of both loaning systems.

3. Co-operation on the part of the provinces in which loans are made is required in order, first of all, that the system shall not duplicate or conflict with any provincial loaning scheme that may be in existence, and secondly, that the Federal system may have the advantage of provincial co-operation in proceedings under the mortgage, including the transfer of land. It is recognized as desirable that if possible some simple and inexpensive means of dealing with delinquent borrowers may be devised, relieving the lender of unnecessary expense, and at the same time, giving the necessary protection to the borrower.

4. In the United States the rate of interest on the loan to the farmer must not exceed by more than 1 per cent the rate paid on farm loan bonds. In this Bill the rate charged to the borrower is not limited except that the operating expense is required not to exceed 1 per cent of the amount of the loan. Discretion is left to the Board, however, to make such provision as seems to it necessary for

prospective losses. Section 7 sub-section (5) therefore provides that the rate of interest on the loans shall be made up of—

(a) the rate of interest payable on the bonds;

(b) an expense allowance not exceeding 1% of the loan, and

(c) such provision for loss reserve as the Board may deem adequate.

What this rate will be can probably be determined only after the Act has been passed, the extent and nature of the field of operation of the system ascertained, the judgment of investors as to the security offered by the farm loan bonds obtained, and the probable volume of loans and rate of expense of operation estimated. It is realized that much will depend upon the probable volume of loans as the expense of operation has been shown to depend very largely on the amount of business transacted. For instance some of the Federal Land Banks in the United States with $100,000,000 of loans or over are operating to-day at an expense rate of less than ½ of 1 per cent, and in some cases, after adding provision for all the foreclosures and reserves, the total charge does not exceed ¾ of 1 per cent. Whether or not these reserves will ultimately prove to be adequate to take care of all losses remains to be seen, but so far it must be admitted that there is no evidence to the contrary.

5. The Bill provides for two types of capital for the Board—

(a) An initial capital not exceeding $5,000,000 to be supplied by the Dominion Government. It is not expected that this capital will be required in full. It may be that it will not go beyond one or two millions. Whatever amount is advanced will be free of interest charges for three years, thereafter it will bear interest at 5 per cent and will be repayable from time to time out of profits of the Board;

(b) 15 per cent of the amount of loans as they are made, 5 per cent of all loans made being contributed by the Dominion Government; 5 per cent on all loans made within the province by the Provincial Government, and 5 per cent deducted from the loans to the borrowers. This capital will be credited with such dividends as may be declared by the Board, the dividends on the borrower's stock being retained by the Board to acumulate to his credit at the rate of 5 per cent per annum, compounded annually. These accumulated dividends will be used to hasten the maturity of the loan by applying them to the payment of the final instalments.

The loan will be repayable over a period of aproximately 20 or 30 years depending upon the rate of interest payable on the loan.

If for instance the farm loan bonds are found to be marketable at a 5 per cent rate, the expense rate assumed to be 1 per cent and the necessary addition for prospective losses ½ of 1 per cent, the rate to be charged the borrower would be the sum of these three percentages, or 6½ per cent. The borrower would then be required to pay annually, in addition to this rate, either 1 per cent or 2 per cent of the amount of the loan as provision for repayment of principal. If the 1 per cent is chosen and payments made annually, the loan will be matured in exactly 32 years, or if payments are made in semi-annual instalments, in 31½ years. If the 2 per cent amortization is chosen, the loan will be entirely repaid in exactly 23 years with annual payments, or in 22.6 years with semi-annual payments.

Loans will be made only to farmers occupying and cultivating their farms. The loans are not intended for the absentee landlord or speculators in farm lands.

The maximum loan to any one person will be $10,000. The uses to which the proceeds of the loan may be put are set forth in subsection (2) of section 7. Briefly the money is required to be used for the permanent improvement of the land or the relief of the farmer from other debts.

The legislation required to be passed by the province is set forth in section 8 of the Bill. The Legislature must authorize the Provincial Government to subscribe to the stock of the Board an amount equal to 5 per cent of the total loans in the province; the establishment of a provincial board of 5 members to be nominated by the Provincial Government and approved and appointed by the Board; the appointment of provincial officials as members of an advisory council; the making of farm loan bonds issued by the Board legal investments for trust funds in the province. It is made clear that the Provincial Board shall be subject to the directions of the central board.

The net earnings of the Board will be ascertained by deducting from the interest earned—

(a) the interest payable;

(b) the expenses of operation;

(c) the reserve for anticipated losses,

and of the net earnings so ascertained 25 per cent shall be carried to a general reserve until such general reserve amounts to 25 per cent of the entire capital of the Board. After that time 10 per cent of the net earnings will be carried to reserve. The balance of the net earnings may be used to pay dividends

on the capital stock, not however, including the initial capital provided by the Government, but such dividends are limited to 5 per cent until the reserve fund amounts to 25 per cent of the said capital. Dividends beyond the 5 per cent may be declared only upon the stock subscribed by borrowers. The stocks held by the Dominion and the province is therefore limited to a 5 per cent dividend.

Provision is made for the Government purchasing farm loan bonds to an amount not exceeding $15,000,000.

It is recognized that the success or failure of the system will depend upon the management provided by the Board. No system can succeed without the most competent management, and the greatest importance therefore attaches to the capacity of the members of the Board, particularly the Farm Loan Commissioner. With a capable Board and with trained assistants in the Provincial Boards and on the staff, there does not appear to be any reason why the system should not be of advantage to the farming community, particularly in those provinces where the rates of interest are now very high. It is realized that these high rates are to some extent accounted for by adverse legislation on the part of the provinces, and it is not too much to hope that the operation of the system may bring about a better feeling between legislators and loaning agencies of all kinds, private as well as public, so that anything savouring of confiscation or undermining of mortgage rights will be discouraged for the future and the existing legislation of that character either modified or wholly repealed. If this can be brought about, it is safe to say that an 8 per cent farm mortgage loan will soon be nothing but a memory, and that rates approximating those payable on business and commercial property will be possible, to the advantage, not only of the farmer, but of all classes in the community.

It is hoped that the rate charged the farmer including amortization, will be below 8 per cent, which is the minimum rate of interest at present charged throughout the West, and that at the end of 32 years his capital will be completely amortized.

I have given a fairly long statement of the Bill with the idea that it may be of some benefit when the Bill goes to Committee. I have some other data, but will await the Committee stage to give it to the members of the Senate.

Hon. Sir EDWARD KEMP: Could not my honourable friend put it on Hansard, with the consent of the House?

Hon. Mr. DANDURAND: I have a statement of the expense of operation of the farm loan scheme.

The Farm Loan Bill makes no express provision for the allowance to be made in the interest rate on loans for expense of operation beyond fixing a maximum of 1 per cent or for reserve for losses. The view taken in drafting the Bill was that the rate could best be left to the judgment of the Farm Loan Board operating with the Minister of Finance as Chairman.

There are many good reasons why the judgment of the Board should not be fettered by statutory provisions regarding matters which cannot be accurately appraised or controlled by Parliament or by the Government.

Information has been obtained during the last few weeks from public loaning bodies in the United States and Canada as to the expense of operation of their systems, and the only conclusion which can be safely drawn from the communications received is that the rate of expense is closely related to—

(a) the volume of loans, and

(b) the density of the farming population.

For instance the Federal Land Bank of Houston, Texas, one of the largest of the Federal Land Banks in the United States farm loan system is operating and has operated for some years at a rate of expense of 3/10 of 1%. The volume of loans is over $113,000,000. The expense rate the first year when loans totalled $2,117,000 was 4.9%.

The Federal Land Bank of St. Paul, Minnesota is operating at an expense of ½ of 1%. The volume of loans is approximately $123,000,000. The Loans made the first year amounted to $7,023,000 and the expense rate was 2.1%.

Against this we have the experience of the Agricultural Credit Commission Loans in the Province of British Columbia, the rate of expense of which is approximately 9%. The amount of loans is about $500,000.

The farm loan scheme of the Province of Saskatchewan according to the report of the former Premier of the province, can operate at an expense of from 1½% to 2% if the farmers "play the game". The volume of loans is about $10,000,000.

The loan companies operating under Dominion charter and making returns to this Department have total assets, including mortgages, bonds and debentures and other assets of approximately $100,000,000 of which about $70,000,000 consist of mortgages. The rate of expense exclusive of commissions and taxes is 1.7% of the amount of mortgages, or 1.2%

of the total assets. Adding commissions and taxes we have a total of 2.27% of the mortgages, or 1.60% of the total assets. The foregoing figures are for the year 1924. The corresponding figures for 1925, subject to correction on examination, are as follows:—

Total assets	$108,265,445
Total mortgages	79,079,653
Total interest	6,812,330

		Percentage of Total Mortgages	Percentage of Total Assets
Total Salaries	$665,651 or	.84%	.61%
Total Other Expenses (Excluding commission and taxes)	741,163	.94%	.68%
Total salaries and expenses	$1,408,814	1.78%	1.29%
Total taxes	265,797	.34	.25
Total commissions	83,754	.11	.08
Total expenses of all kinds	$1,758,365	2.23%	1.62%

The foregoing deals with expenses. There remains the question of losses sustained and provision for future losses. Here again it is very difficult to form an opinion as to the experience to be expected of the Dominion scheme.

A prediction as to the rate of losses under any loaning scheme is bound to be inaccurate and unsatisfactory as everything will depend on crop conditions and also on economic conditions generally. A slight difference in the state of world markets may mean the difference between failure and success of a farm loan scheme.

The experience of life insurance companies in Canada in their farm loans has varied widely with the provinces in which loans have been made. All companies have written off or lost on sale substantial amounts during the last four or five years in all the prairie provinces. The following figures cover the period 1922 to 1925:—

Province	Percentage of amount of Farms Loans outstanding at beginning of year written off or lost on sale during the year
Alberta—	
1922	1.10%
1923	2.22
1924	3.48
1925	3.74
Manitoba—	
1922	.19%
1923	.64
1924	1.66
1925	.82
Saskatchewan—	
1922	.40%
1923	.71
1924	.92
1925	.44
Ontario—	
1922	....
1923	....
1924	.75
1925	.20

RATE OF EXPENSE, RESERVES AND FORECLOSURES EXPRESSED AS A PERCENTAGE OF TOTAL OUTSTANDING LOANS

1.—Federal Land Bank of Houston

Year	Loans Outstanding	Expense Rate	Reserve Rate	Foreclosure Rate	Total (2)+(3)+(4)
	(1)	(2)	(3)	(4)	(5)
1917	$ 2,117,890	4·92	.....	.....	4·92
1918	15,202,546	·74	.....	.....	·74
1919	33,647,906	·57	·17	.....	·73
1920	39,837,943	·28	·11	.....	·39
1921	49,400,628	·29	·22	.....	·51
1922	72,287,101	·31	·23	·01	·55
1923	92,493,397	·29	·30	·05	·63
1924	102,386,557	·28	·22	·02	·52
1925	113,511,265	·25	·33	·08	·65

2.—Federal Land Bank of St. Paul, Minn.

1917	$ 7,023,300	2·10	.....	.....	2·10
1918	22,555,400	·93	.....	.....	·93
1919	39,834,900	·45	·16	.....	·59
1920	47,380,300	·41	·30	.....	·70
1921	55,032,100	·46	·18	·08	·72
1922	79,877,200	1·07	·25	·32	1·65
1923	104,152,900	·73	·10	·36	1·19
1924	116,725,800	·56	·24	·54	1·42
1925	122,983 700	·54	·10	·31	·95

RATE OF EXPENSE, RESERVES AND FORECLOSURES EXPRESSED AS A PERCENTAGE OF TOTAL OUTSTANDING LOANS—*Concluded*

3.—Federal Land Bank of Omaha.

Year	Loans Outstanding	Expense Rate	Reserve Rate	Foreclosure Rate	Total (2)+(3)+(4)
	(1)	(2)	(3)	(4)	(5)
1918	$ 16,895,640	1·18	.....	.....	1·18
1919	37,942,490	·33	·12	.....	·45
1920	47,330,140	·18	·13	.....	·30
1921	56,583,440	·20	·18	.....	·38
1922	74,846,640	·22	·16	.....	·38
1923	94,592,140	·21	·39	·17	·77
1924	114,679,240	·24	·33	·14	·70
1925	129,269,540	·21	·25	·21	·68

Hon. Mr. BELCOURT: May I make a suggestion? I think possibly there is one feature of the Bill which will require some explanation, and which might possibly stand in the way of its securing unanimous support. In the Provinces of the West, where this Bill will probably find a wider scope than in any other part of the community, there are numerous prior claims owing to this Government and to several public bodies. For instance, there are claims for balances due for seed and for other things. I was very much surprised to find that they amount to a very large sum. Now, if foreclosure proceedings have to be taken and the mortgage realized upon, there will be a large sum in all these Provinces which will have to be taken care of before the capital or interest can be recovered. I mention this because it is a very marked feature in the West, where conditions are different from those in the East, where there is not anything like the same number of prior claims. I do not know what the solution is, and I have no suggestion to offer at present, but in the interest of the Bill I think it is very important that the matter should be considered. Personally I am very strongly in favour of the Bill, and I mention this not because I want to embarrass my honourable friend, but because I think it is a matter that should receive some attention before the Bill is taken up in Committee.

Hon. Mr. DANDURAND: I refer my honourable friend to clause 12.

Hon. Mr. BELCOURT: That is for the future only.

Hon. Mr. DANDURAND: Yes. It has not been deemed opportune to do anything which would tend to put pressure on the various legislatures to alter Provincial legislation. However, there is a moral pressure or a material pressure that can be exercised. The Board in fixing the rates will take very good care to differentiate between a Province where a loan is absolutely safe and a Province where a loan is loaded with priorities such as those mentioned by my honourable friend. Gradually the Province where those exceptional priorities exist will feel like adopting standard legislation which will put it on a parity with other Provinces.

Hon. Mr. BELCOURT: Possibly the Government of Canada might consider the propriety of waiving its priority on seed, for instance. That is a priority created in favour of the Dominion, and I believe there is a considerable sum still owing, of which there is not much hope of collection. There might be advantages in getting rid of that one priority.

Hon. Mr. DANDURAND: My honourable friend must not forget that Providence sometimes smiles for a number of years on our country. From 1900 to 1912 or 1913 without a break there were good crops in the West. We have now had two good crops, and if we have further good crops, we stand a good chance of being reimbursed for seed.

Hon. Mr. CALDER: The point raised by the honourable gentleman from Ottawa (Hon. Mr. Belcourt) is a very important one, and one we had great difficulty in dealing with in Saskatchewan. The amount of money loaned to farmers who had mortgages on their properties was very large indeed, and when the Federal Government advanced seed to homesteaders, they insisted that they should have a prior claim. On the other hand, when men were on land that had passed beyond the homestead stage, and the Provincial Government had to advance seed, and after many conferences with the representatives of the loan companies it was finally agreed that the claim for seed should come first. Those claims are not wiped out by any means, and there must be large sums still outstanding.

Hon. Mr. McMEANS: Could not some system be devised whereby foreclosure could be simplified. The loan companies figure that it is going to cost them quite a sum of money for foreclosure and that it is going to take some time to foreclose. The honourable gentleman from Edmonton (Hon. Mr. Griesbach) says that in the Province of Alberta it takes about eighteen months. There is no reason why the procedure should not be simplified, so that after a man has received two or three months' notice the land would automatically come back to the Board.

Hon. W. B. ROSS: That has been a matter of a good deal of consideration with me already, as one of the stumbling blocks in the way of this Bill. However, I take it that when we get the Bill before a Committee probably one or two or more men from the western Provinces will be asked to come here so that matter may be thrashed out. Unless you arrive at some arrangement with the western Provinces, I do not see just how you are going to get along. However, it is hardly worth while going into that question now. I think the arrangement, if I understood my honourable friend, is that he now moves the second reading of the Bill, and that it is allowed to go without comment, with the understanding that it will go to the Committee on Banking and Commerce and will come back here and be thoroughly discussed. We are not adopting the principle of the Bill; we are simply getting it to the Committee.

Hon. Mr. DANDURAND: We have not yet taken the second reading.

Hon. Mr. BELCOURT: My only purpose in rising was to draw attention to the matter that I have mentioned so that it might be considered right away.

Hon. W. B. ROSS: I am glad you did.

Hon. Mr. BELCOURT: That would expedite the Bill.

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

Hon. W. B. ROSS: I move, seconded by Sir Edward Kemp:

That the Bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

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

THE SENATE

Wednesday, June 9, 1926.

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

Prayers and routine proceedings.

WEST INDIES TRADE AGREEMENT BILL

FIRST READING

Bill 15, an Act respecting trade relations with British West Indies, Bermuda, British Guiana, and British Honduras.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: With the leave of the Senate I would ask that this Bill be put down for second reading to-morrow.

Hon. W. B. ROSS: Would the honourable gentleman tell me if the Government brought down in the other House any tenders that they received for steamship services, as provided for in the Bill? The honourable gentleman will remember that the Bill was held up there for a while pending information.

Hon. Mr. DANDURAND: Since the postponement was for that very purpose, I surmise that the information was forthcoming when the Bill was again taken up, but between now and to-morrow I will find out.

Hon. Mr. ROSS: We ought to have information as to what the tenders were.

Hon. Mr. DANDURAND: I will ask for them. I may find them in the report of the debates which took place in the other House.

The motion was agreed to.

OPIUM AND NARCOTIC DRUG BILL

FIRST READING

Bill 152, an Act to amend the Opium and Narcotic Drug Act, 1923.—Hon. Mr. Dandurand.

PRIVATE BILLS

FIRST READINGS

Bill 112, an Act respecting certain patents owned by the Sealright Company, Incorporated.—Hon. Sir Edward Kemp.

Bill 1133, an Act respecting the Bronson Company.—Hon. Mr. Belcourt.

CUSTOMS TARIFF BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 114, an Act to amend the Customs Tariff, 1907.

He said: The title of this Bill, honourable gentlemen, indicates its purpose. It is an amendment to the Customs Tariff of 1907, and deals with many matters. It affects the preference given to certain countries, which will only accrue to those goods which after the 1st of January, 1927, are shipped directly into a sea or river port of Canada. Honourable gentlemen will remember that that policy was applied two years ago when the British preference was increased, and that the increase could not be earned except by direct shipment to a port of Canada. The present amendment covers all goods that will henceforth be shipped to Canada and which will claim the preference.

There are considerable changes of a consequential nature with reference to the West Indies agreement. Tin plates of a class or kind not made in Canada are, under the Preferential arrangement, admitted free; under the Intermediate and General Tariffs they will be charged 5 per cent. Heretofore those tin plates paid 7½ per cent under the Preferential Tariff, and 12½ per cent under the Intermediate and General Tariffs. This transfer to the free list under the Preferential Tariff, and the reduction under the Intermediate and General Tariffs, is for the purpose of helping the canning industry.

A certain number of changes affect the importation of automobiles. The reduction in duties on cars valued at more than $1,200 is 7½ per cent on the General Tariff. I mention the General Tariff especially, because those importations come mainly from the United States. The duty on automobiles valued at $1,200 and under will be reduced 15 per cent on the General Tariff. Certain articles of a class or kind not made in Canada, and for the making and finishing of automobiles, are put on the free list. There is a drawback of 25 per cent on materials used in the manufacture of automobiles, provided that at least 40 per cent of the cost of producing the finished article has been incurred in Canada. This 40 per cent will remain in force till the 1st of April, 1927, after which time the proportion of cost to be incurred in Canada will be raised to 50 per cent.

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

14015—13½

CONSIDERED IN COMMITTEE

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

Hon. Mr. McMeans in the Chair.

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

On section 1—British Preferential Tariff:

Hon. Mr. REID: I notice that the last part of this clause is worded so that Norwegian vessels would be allowed to take goods right through to Port Arthur and back again. I suppose the Government had not considered the question raised yesterday by one of the members of this House.

Hon. Mr. DANDURAND: The purpose of this clause is to allow the transhipment of goods at ports which are not enjoying the Preferential Tariff, such, for instance, as the port of Hong Kong. There are goods shipped to Canada from India which go to Hong Kong and are transhipped upon the vessels of the Canadian Pacific Railway. Without this clause those goods would not be entitled to the preference.

Hon. Mr. REID: That is all right, but does it not go further? It also permits goods to be brought from England or any British port right past Montreal and up to Port Arthur. I merely raise the point because yesterday the general opinion of the Senate was that if possible we should keep for our Canadian vessels the traffic from Montreal to Port Arthur. Of course, there would be no objection to Norwegian vessels bringing a cargo from a British port to Montreal and then having it transferred to a Canadian bottom. The clause, as I understand it, gives them that right. I am not going to object to it further than to draw the attention of the Government to the point I have raised, and, if there is anything in it, and the Government wish to give the Canadian Merchant Marine that protection, it should be done now. Otherwise the Government must assume the responsibility of continuing the privilege to the Norwegian vessels.

Hon. Mr. DANDURAND: I do not think the point of my honourable friend is well taken. When, in 1923, the Customs tariff was amended in order to allow of an increased preference to British goods it was decreed that the further 10 per cent could only be enjoyed if goods came direct to Canadian ports, and the clause that we passed then reads exactly as this one. I read it from the Customs Tariff, clause 5:

Provided that 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.

My honourable friend will see that those words—seaport or river port of Canada—are of very general import. My honourable friend now finds this very same clause in the present Bill to cover the whole preference while the clause in the Act as it stands to-day covers only the increased 10 per cent preference of three years ago. This clause will now cover, under the very same terms, the shipping of goods to a Canadian port, sea port or river port which desires to enjoy the full preference.

Hon. Mr. REID: As I understood, if a change was made a few years ago, the British preference was saved by that clause which required all goods that were to enjoy the British preference to be shipped direct. Before that they could be shipped and come to Canada even through New York or some other port in bond.

This clause, or the clause as it was then, would of course allow Norwegian ships to go right up to Port Arthur. That could be remedied if the words were added: "not to include rivers or anywhere west of Montreal." Those ships from Hong Kong, for instance, could then go up the river to Quebec or Montreal, without affecting the West. The trouble that was discussed yesterday arose from traffic coming from England. Now, instead of coming to the United States, it must come direct to Montreal; but by this clause you are allowing it to go to Port Arthur, just as has been done.

Hon. Mr. DANDURAND: Do I understand my honourable friend to say that we could arrange that all our Asiatic trade should not go farther up the St. Lawrence than Montreal?

Hon. Mr. REID: No, I did not say that at all. I was speaking about the question raised yesterday regarding Norwegian vessels, not British vessels at all. If British vessels bring British goods across the Atlantic, they have the right to go to Port Arthur; but the complaint was about Norwegian vessels. It was complained and brought to the attention of the Government yesterday that it was not fair to the Canadian Merchant Marine to allow Norwegian vessels to compete. I am not going to suggest anything, and if the Government wish, after that discussion, to allow a law to be passed here to-day permitting Norwegian vessels to continue the coasting trade, or if the Government are not willing to remedy that state of affairs, they must take the responsibility.

Hon. Mr. DANDURAND: The question my honourable friend raises surely does not come within the purview of this Bill. It is a very large question, about which I would need personal information, as I am not precisely familiar with the rights of foreign ships coming up the St. Lawrence. I know that by arrangement with the United States our canals can be freely used by American ships going and coming, but at this moment I could not give an opinion as to the right of Canada to stop ships other than American ships from coming up the St. Lawrence to deliver goods to an American port, or to a Canadian port, for that matter.

Hon. Mr. REID: The honourable gentleman does not think that the point I raised has anything to do with the Customs Act. I hold that it has, because in that Act, which is being amended, those rights are given to which objection was made in the discussion yesterday. The United States has the right to the free use of our canals under a Treaty made with Great Britain, and that right would not be interfered with if foreign ships were prevented from using our ports as the Norwegian vessels do, as stated yesterday. The impression left on my mind was that in the discussion yesterday the Senate was strongly of the opinion that Norwegian vessels should not be permitted to continue to deprive our Canadian Merchant Marine of trade. Yet the very next day after that discussion this Bill is brought in, which continues that right, so inconsistent with our own interests, and no doubt it was granted by this very Customs Act in 1923. If it has existed under that Act this Bill should not continue what was considered so objectionable yesterday.

Hon. Mr. DANDURAND: Well, I will only say this to my honourable friend, that I do not believe that the Act of 1923 or this one has anything to do with the question he raises.

Hon. Mr. McLENNAN: I know that 40 years ago certain vessels, mostly Norwegian, had the right to coast in Canada. If my recollection is correct, it was by arrangement with Great Britain that Norway had reciprocal coasting privileges. So it is nothing new.

Section 1 was agreed to.

On section 2—schedule A amended:

Hon. Mr. GORDON: I would like to inquire as to the general policy of the Government in respect to some of these changes.

What policy has been pursued in making these changes and carrying them out? For instance, I notice under tariff item 22:

Tariff Item		British Preferential Tariff	Intermediate Tariff	General Tariff
22	Preparations of cocoa or chocolate in powder form..	22½ p. c.	27½ p.c.	35 p.c.
	or per pound.. ..	2 cts.	2½ cts.	3 cts.
	whichever rate returns the higher duty.			

What I would like to find out is whether the policy is one which will encourage the importation of products into Canada by a low tariff, and after they are in Canada will give a protection worth while to those who use those products for manufacturing?

Hon. Mr. DANDURAND: My honourable friend will notice that there is no change in the first column of 22½ per cent on preparations of cocoa or chocolate in powder form, 27½ per cent intermediate, and 35 per cent general tariff. The change is all in the words —"or per pound, 2 cents, 2½ cents and 3 cents." respectively, "whichever rate returns the higher duty." This would cover a low-priced cocoa, and it is in accordance with the West Indies agreement.

Hon. Mr. GORDON: So much for that. Cocoa or chocolate in powder form is imported, and the manufacturer makes it into candy or other goods. What I am interested in is to know whether the protection which the manufacturer gets then is as great or greater in proportion than the first importer receives?

Hon. Mr. DANDURAND: In item 23 there is an increased figure for articles manufactured in order to allow a protection to the Canadian manufacturer.

Hon. Mr. GORDON: Does not my honourable friend think that the manufacturer is entitled to more protection than what is here given?

Hon. Mr. DANDURAND: On item 23, he gets 35 per cent and 2½ cents under the general tariff, which is quite a large figure.

Hon. Mr. GORDON: With the idea of finding out further the policy which the Government has adopted, let us come down to item 90—fruits:

Tariff Item 90.—Fruits, viz.:—Plantains, pineapples, pomegranates, guavas, mangoes, wild blueberries, wild strawberries and wild raspberries; British Preferential Tariff, Free; Intermediate Tariff, Free; General Tariff, Free.

My impression is that in Canada there are millions of tons of blueberries going to waste every year, as we have an overabundance of them; therefore why allow them on the free list?

Hon. Mr. DANDURAND: There is no change under that clause 90, except that bananas are taken out, and are put under a special number, 93.

Hon. Mr. GORDON: But I need scarcely point out that whether there is a change or not, it will not affect what I am driving at. I would like to find out what policy the Government is pursuing, or are they just taking the old tariff as it was and following it up blindly? What reason is there for admitting blueberries into this country free?

Hon. Mr. DANDURAND: I am informed that there are no wild blueberries imported into Canada.

Hon. Mr. GORDON: Then why have the item there? It is mentioned very specifically.

Hon. Mr. HAYDON: Does my honourable friend think that if a duty of 35 per cent were put on blueberries the people in the locality would go up on the mountains and pick them?

Hon. Mr. GORDON: I do not think they would, because I think there are more blueberries in the country than they could use. But it seems to me that in making a tariff some policy should be pursued from the outset, and I want to find out what that policy is. I would like to see high import duties put on articles which we can grow or manufacture, and on articles which we cannot grow or manufacture I would like to see little or none. But if the Government have no policy at all, but are just jumping at it in a careless way, I want to find that out.

Hon. Mr. DANDURAND: But my honourable friend takes a very extraordinary example to test the policy of the Government when he speaks of wild blueberries. Wild blueberries are a product of nature which does not need any great nursing. No one will extend the area of wild blueberry production. As none are coming from abroad, my honourable friend wonders why we leave the item there free. When we are threatened with the importation of wild blueberries then it will be time enough to see if that is affecting very much the prices of our own wild blueberries. If it is not, they would perhaps be welcome. I am told that possibly some may come from Newfoundland.

Hon. Mr. GORDON: Why have the item there?

Hon. Mr. DANDURAND: There are a number of respectable things that have come down from Confederation. I do not know but what it was there in 1867.

Hon. Mr. GORDON: Turning to page 5, item 438d, in respect to automobile accessories, I notice a great many things now coming in free:

Horns, distributors, ammeters, instrument board lamps, gasoline gauges, thermostats, oil filters...

I would like to ask this question: is the Government convinced, when it proposes to allow automobile parts to come in free, that we cannot manufacture goods of this description in Canada? It seems to me that a number of these small things should be manufactured in Canada.

Hon. Mr. DANDURAND: Whenever they are manufactured in Canada, they will become dutiable. If my honourable friend will read the whole item he will see that, after describing the various things that are admitted free under item 438d, it says:

all of a class or kind not made in Canada, when imported by manufacturers of goods enumerated in tariff items 438a, 438b and 438c for use only as original equipment in the manufacture of motor vehicles enumerated in tariff items 438a and 438b.

Hon. Mr. GORDON: Oh, I see. Then the idea is that none of these things are being manufactured in Canada now?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BELAND: They may be. If they are, they are dutiable.

Hon. Mr. ROBERTSON: May we pursue this point just a step further? My honourable friend did not read quite all of that clause. The items enumerated under head are entitled to admission free "when imported by manufacturers of goods enumerated" in other items, namely, automobile manufacturers.

Hon. Mr. DANDURAND: "For use only"—

Hon. Mr. ROBERTSON: "for use only as original equipment in the manufacture of motor vehicules." I should understand that the Government proposes there a discrimination as between the manufacturer and an ordinary citizen. It has been pointed out that these goods are not manufactured in Canada. Is it to be understood that if, for example, I as a user of an automobile want to purchase a horn, or a distributor, or an ammeter, or any of these things mentioned, in order to equip a car which I own, I have to pay duty, whereas if a manufacture wants to import the same article he may import it free? Is that the understanding?

Hon. Mr. GORDON.

Hon. Mr. DANDURAND: My honourable friend reads that clause rightly. These are advantages given to the manufacturer of automobiles in Canada; but the public at large, in buying some of these articles separately after they have purchased a motor car, will have to pay duty. That is simply for the purpose of revenue.

Hon. Mr. ROBERTSON: I do not follow my honourable friend yet. It is specifically mentioned that these things are free because they are not manufactured in Canada. Now, if the private citizen owning an automobile desires to have a new horn on it, that is no affair of the manufacturer of automobiles in Canada; it makes no difference to him; it does not affect the sale of a new car. I doubt very much the wisdom of this provision, and can scarcely understand the policy that would discriminate between the manufacturer in Canada and the private citizen with regard to the purchase of an article that in no way affects the interests of the manufacturer.

Hon. Mr. DANDURAND: I can well see the difference. The effect of this item is to encourage the manufacturing of motor cars in Canada. When my honourable friend wishes to buy a new horn for his car, that has nothing to do with the manufacture of cars in Canada.

Hon. Mr. ROBERTSON: Quite so.

Hon. Mr. DANDURAND: Then he must realize that that is an article which should carry a little duty, in order that the Government may have some revenue It is, in a certain sense, largely a luxury. And as a matter of fact we are raising revenue on very many things that are not yet being made in Canada.

Hon. Mr. GORDON: It appears to me that if there is any way to discourage the manufacture of these articles in Canada, this will accomplish it. Take, for instance, rims for steering wheels, and lock washers. Is there any reason why these should not be manufactured in Canada? And do you not think that by having a duty on these some manufacturer is likely to be induced to start manufacturing them in Canada, if we are not manufacturing them now?

Hon. Mr. DANDURAND: But my honourable friend knows very well that when any individual or corporation is prepared to engage in the manufacturing of an article which is on the free list, he applies to the Government to have it removed from the free list. These are articles which will come in

free because they are not made in Canada, and they will help the manufacturer to turn out the finished product. This item will be a help to him and he will be encouraged to continue developing his industry if we make it easier for him to do so. This is, I think, good Canadian policy.

Hon. Mr. GORDON: I am sorry to have to disagree with my honourable friend in that. Suppose a manufacturer on the other side who makes some of these things that I have just mentioned finds that under the Canadian tariff goods of this sort come in free, and he does not know that it is possible, by coming here and interceding with the Government, to get the tariff changed. Is he likely to start a factory in Canada? Do you not think that that man would be more apt to come over here if he knew that we had an effective duty on such articles now?

Hon. Mr. DANDURAND: My answer is that these articles were all dutiable until the Budget came down, and for a number of years.

Hon. Mr. GORDON: Yes.

Hon. Mr. DANDURAND: This fact did not induce the manufacturer in the United States to come over to this side to manufacture. Now we are utilizing our Customs Tariff to help our own Canadian industry, but we leave the duty as against the general public, and wherever the article is made in Canada the importation of such article becomes dutiable.

Hon. Mr. GORDON: But, after all, the automobile industry is a comparatively new one, and I think that if reasonable protection were placed not only on the automobile itself, but on the parts, the time would come when many of these things would be manufactured in Canada. I think that by reducing the duty on these things you are going to discourage any person from coming over here to manufacture. Why would anyone who has established and equipped a factory in the United States and is manufacturing these articles there now, come over here to Canada to manufacture them when they can come in free?

Hon. Mr. DANDURAND: They do not come in free, except when they are not manufactured in Canada, and even then they remain dutiable against the public.

Hon. Mr. GORDON: Certainly, against the public; but you are making this so that any manufacturer who has an ounce of sense at all, and who has a factory in the United States for making those things, would not come over here and manufacture in Canada.

Hon. Mr. DANDURAND: I should think the contrary.

Hon. Mr. GORDON: Why would he come over?

Hon. Mr. DANDURAND: If we develop our own Canadian automobile manufacturing industry we enlarge the clientele to such an extent that those people may be disposed to come over, for they know that as soon as they do, all the articles they produce will become dutiable—will be transferred from the free class.

Hon. Mr. DONNELLY: Honourable gentlemen, I would like to get a little information with regard to the point that was raised by the Ex-Minister of Labour (Hon. Mr. Robertson). He referred to automobile parts that are permitted to come in free because they are not manufactured in Canada, and he pointed out that a private individual would not be allowed to bring in such articles duty free. I understood the honourable Minister (Hon. Mr. Dandurand) to say that the manufacturer could import such parts, to be put into new cars, without paying duty, but that for the purpose of revenue the private individual would have to pay duty.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. DONNELLY: Would it not rather be that instead of purchasing parts across the line the private individual would have to purchase them from the manufacturer, who would bring them in duty free and sell them retail for the refitting of old cars?

Hon. Mr. DANDURAND: He could not do that.

Hon. Mr. ROBERTSON: Honourable gentlemen, I have listened with a great deal of interest to this discussion, and I confess that the Minister's explanation is to me really a surprise. It is a reversal of what I understood to be the Government's general policy respecting tariffs. It has been heralded abroad, and understood and believed by many people in this country, that the Government was the champion of the great unwashed common people, whose rights were being trampled upon and those interests were neglected—

Hon. Mr. DANDURAND: That includes my honourable friend and myself.

Hon. Mr. ROBERTSON: —and that the Government was the arch enemy of the manufacturers and was taking a crack at them and was going to teach them a very severe lesson.

Hon. Mr. DANDURAND: That is what my honourable friend says.

Hon. Mr. ROBERTSON: And now we find that the tariff is being amended to give special privileges to the manufacturers of automobiles and to collect additional taxes from the common people. I think that is a discovery worth remembering. We have been misunderstanding this Government's attitude towards the tariff all along.

But to my mind the serious feature is this. Here it is proposed not to increase the manufacture of automobiles in Canada, but to increase the assembling of them and to increase the number of parts manufactured in another country by foreign labour, these parts to come in to be assembled into automobiles in Canada. Surely, honourable gentlemen, in the light of the experience of this country during the past three or four years, when as many as 200,000 a year of our citizens, nearly all of them skilled artisans, have been exiled and have had to seek employment in another country, it is time to point out to the public that this is the effect of the policy pursued, and it is a condition that we may expect to continue if such a policy is persisted in.

Hon. Mr. LYNCH-STAUNTON: Can the honourable leader of the Government tell me what was the duty on these things before?

Hon. Mr. DANDURAND: Twenty-five to 35 per cent.

Hon. Mr. LYNCH-STAUNTON: And they are put on the free list now?

Hon. Mr. ROBERTSON: Yes, if brought in by manufacturers.

Hon. Mr. DANDURAND: They are free when imported under certain conditions to go into the manufacture of automobiles.

Hon. Mr. GORDON: There are a great number of these things that are manufactured in Canada, are there not?

Hon. Mr. DANDURAND: If they are manufactured in Canada, they are not free; this does not affect them.

Hon. Mr. GORDON: How is the Department going to ascertain, as to many of these little things, whether they are manufactured in Canada or not? For instance, take lock washers.

Hon. Mr. DANDURAND: The Department has a complete list of what is being manufactured in Canada.

Hon. Mr. GORDON: There are many little things that are being manufactured in Canada, and the Department would never know anything at all about them. We have indications of smuggling going on, although the Department would not tolerate it for a minute if it knew what was going on.

Hon. Mr. DANDURAND: That is not manufacturing.

Hon. Mr. GORDON: Take a small article like a lock washer: it cannot be of a very mysterious nature; it must be something that can be made in most manufacturing plants. Yet we have that included here. It is stated here that if that is not manufactured in Canada it may be brought in free. This item appears to me to be an incentive to manufacturers on the American side of the line, but on the other hand it is a discouragement to our own manufacturers. It drives labour out of this country by providing work in the United States. It cannot do anything else.

Hon. Mr. DANDURAND: Whenever these articles are manufactured in Canada they cease to come in free.

Hon. Mr. GORDON: But that is the weakness of the thing. I claim there are many articles in this list that may be manufactured in Canada and that the Department will never know anything about.

Hon. Mr. DANDURAND: My honourable friend could take the whole list of articles and find hundreds of articles that are free of duty because they are not manufactured in Canada. Would my honourable friend apply the same principle and say, "We shall take them off the free list, because to permit them to come in free of duty would encourage people outside to manufacture them and prevent our own people from doing so?

Hon. Mr. GORDON: When the honourable gentleman puts that question to me I must reply to it frankly and say that, as I intimated a while ago, what I would like to see done would be to have the duties increased on nearly every article which we can manufacture or grow in Canada, but I would like to see the duties decreased on a good many things which we cannot produce in Canada.

Hon. Mr. DANDURAND: I would like to answer my honourable friend who has just contended that the policy pursued in this case is detrimental to the general interests of the country. I would remind him that he used probably the very same arguments when we discussed and settled the policy with respect to the manufacture of agricultural implements. There was a material reduction made, and at the same time there was a reduction on the raw materials entering into those agricultural implements. The very next

day the consumer got the advantage. The list of reductions was published. So it is in this case, because the policy which is now before the Senate went into effect on the very day next day after the Minister of Finance made his speech announcing the change. So the people got the advantage of the change, and it is hoped that, as in the case of agricultural implements the industry will flourish.

Hon. Mr. GORDON: But my honourable friend knows that Canada to-day is suffering because we are not employing our labour as well as it should be employed. For that reason our mechanics are going over to the United States. They have gone over in thousands and are going over yet. Under such legislation as this they will continue to leave. What I am endeavouring to do is to show my honourable friend that in place of driving labour over to the United States we need to retain it and provide more work here by having these parts manufactured in this country.

Hon. Mr. DANDURAND: My honourable friend is a capitalist. Why does he not start that business and receive the protection?

Hon. Mr. GORDON: "My honourable friend" is not a capitalist. If he were, I can assure the honourable gentleman that under conditions as they are to-day, he would not attempt to go into any kind of manufacturing, because he might have the ground cut from under his feet almost any time.

Hon. Mr. BELCOURT: Where are we going to get these parts that are so necessary?

Hon. Mr. GORDON: From the United States. And you are going to continue to get them from there if the present policy is persisted in.

Hon. Mr. BUREAU: May I ask the honourable gentleman a question? Would he sooner import an automobile or the parts? If you do not facilitate the manufacture, the automobile will not be manufactured, and instead of importing the parts you will import the whole automobile.

Hon. Mr. GORDON: If you have the duty high enough on the automobile, the parts and everything else will be manufactured in Canada, and you will drive industry after industry from the United States over here. It is a question of having your duty high enough.

Hon. Mr. MacARTHUR: There would be something in the honourable gentleman's contention if we had to deal with an ordinary situation; but we know that there are very many large manufacturing concerns in the United States which specialize in what are known as accessories, and that no Canadian manufacturer will be able for many years to compete with those American manufacturers. After all, these are immaterial items on the equipment of a car. They are called standard equipment in the United States, and they are manufactured so cheaply that no Canadian manufacturer or assembler of automobiles wants to be bothered considering their manufacture in Canada.

Now, the moment that representations are made to this Government that an industry wants to start making those parts in Canada it will get 25 per cent or 35 per cent protection. If the Canadian capitalists do not want to put their money into a business of that kind, what is the use of protecting it? What do they want? The manufacturers have never asked that these little accessories should be dutiable when they come into Canada for the original equipment.

The ex-Minister of Labour raised the point that there is discrimination as between the ordinary consumer and the manufacturer. Who that buys a 25-cent bell or horn wants to be bothered with the tariff? He can get one in the States and put it on his car. As a matter of fact, that is what many people do. These are all cheap items that make what in the United States is called standard equipment, and many people in Canada like to have the same equipment on their cars.

Hon. Mr. GORDON: Some of the greatest businesses in the United States, as well as in other countries, have been built up by the manufacturer of articles that my honourable friend would consider of a minor nature.

The Hon. the CHAIRMAN: Chewing gum, for instance.

Hon. Mr. GORDON: The honourable the Chairman suggests chewing gum.

Hon. Mr. DANDURAND: There are 110,000,000 jaws.

Hon. W. B. ROSS: 110,000,000 pairs; 220,000,000 jaws.

Hon. Mr. GORDON: I do not think there is anything so small that it should not be considered. I am not talking in the interest of the manufacturers but in the interest of Canada and the people of Canada, and I think the sooner the tariff policy of this country is changed so as to drive these manufacturers of small articles into Canada the better. I am satisfied that many plants could be driven into Canada in the course of a very short time if the duty were increased

instead of decreased. I believe an increase would be beneficial to the country as a whole from every standpoint—not only from the standpoint of employment, which every person knows is so badly needed. If automobiles were increased in price, it would have the effect in many instances of preventing people driving them who should not, and who are mortgaging their homes and doing other things of that kind in order to do so.

Hon. Mr. DANIEL: That would lessen the sale.

Hon. Mr. BUREAU: And decrease production.

Hon. Mr. GORDON: By a policy of this kind you are discouraging the manufacture of these products in Canada.

Hon. Mr. BLACK: The argument of the honourable gentleman from Prince Edward Island (Hon. Mr. MacArthur) is a very excellent one for protection. One makes a very great mistake in citing the United States in an argument of this kind. 150 years ago every nail used in the United States was made in Great Britain, and every small article in the way of hardware was made in Great Britain or on the Continent. That condition continued until the United States became a high tariff country; and it is only because it has become a high tariff country—the highest tariff country in the world—that it is able to ship its products into this country.

I am quite in accord with the argument of the honourable gentleman who has just taken his seat (Hon. Mr. Gordon), that the only way to get these articles made in Canada is to put a high protective tariff on them.

Hon. Mr. GILLIS: The honourable Leader of the House says that when the duty on farm implements was reduced the price was reduced in proportion. That is entirely wrong. There was no reduction in price because of the reduction in duty; the only reduction to the consumer was in the sales tax.

Hon. Mr. DANDURAND: To whatever cause the reduction may be attributed, the consumer, through the policy of the Government, obtained a reduction in the price. My honourable friend says the reduction was due to the withdrawal of the sales tax, but a few days after the new policy came into effect I saw a list from the Massey-Harris Company which showed side by side the prices the day before and the day after the reduction, and there was quite a perceptible difference.

Hon. Mr. GILLIS: That may be, but I know whereof I speak. I live in the West, and know what conditions were and the changes that took place. The only reduction made to the consumer was the amount of the sales tax taken off at that time.

Hon. Mr. McLENNAN: A minor matter was spoken of by one of our colleagues to which I think it might be well for the Leader of the Government to draw the attention of the Customs Department, namely, the question of whether there is adequate and full supervision of all the articles that come in free, and whether or not they are made in Canada. Presumably the manufacturers make it known that such an article is made in Canada. On the other hand, in the Customs Act of last year the duty that had been taken off a certain article the year before, on the representations of the users of the article that it was not made in Canada, was restored, and very properly so, it having been found out in the interval that it was made in Canada.

Hon. Mr. REID: I would like to discuss a number of the items which appear in this Bill if we were in a position to make any changes; but, as we are not, I am content to wait until the people affected see the results, which may not be what the Government expects.

I rose particularly to say that I think something should be done at once to strengthen the administration of the Customs. I believe that up to this time the Customs staff as a whole is as good as that of any other Department. Of course, when you employ a large number of men you sometimes get some who are not as good as you think they are. Here is the difficulty. I have never been able to understand how we could expect to get the men actually required to carry out the work at the salaries paid. There are men in the service doing what is practically inspection work for from $1,000 to $2,000 a year. They are sent out to adjust drawbacks and to do other work of that kind, and it is absurd to expect to get competent men at the salaries they receive. Of course, I realize that if you commence making changes in one Department you will probably have to do it in others; but I do not believe that the Customs Act will ever be properly administered by competent men unless they are paid adequately. I would not like to state the amount of money that I think this country is losing in duties by reason of this condition.

There has been sent to me, as I suppose to every other member, a copy of certain recommendations. A great many of those recommendations are sound and should be carried out; but I am satisfied that they will simply be thrown into the waste paper basket because of the impossibility of getting men to

carry them out unless they are properly paid. I could mention several cases of able young men who came into the Department and started doing excellent work. But what happened? I will mention one case to show you. A young man was put on the drawback service, which meant that he had to go to a large manufacturing establishment in the United States to adjust the amount it was to receive in drawbacks. If he was not a competent man the Government would probably lose from $20,000 to $40,000 a year because of his incompetency. When he came back he tendered his resignation because the head of the firm over there, after asking him what he was getting, offered him a salary of $5,000 a year. Under such conditions we cannot keep competent men—and I only speak for the Customs Department now—and we are losing a lot of money as a result. That is a very important matter, and one that I think should be adjusted.

Hon. Mr. McLEAN: Honourable gentlemen, I for one have a great deal of fault to find with the Customs Department. Last year there were vessels going around Prince Edward Island distributing liquor to all the lobster factories, with what results you can imagine; and only the other day a very sad accident occurred at one of our factories owing to this practice, and a very respectable young man was drowned. Representations have been made to the Minister of Customs, but he says he is not going to do anything until the Customs Committee reports.

Before there was any smuggling of liquor on the Island cutters were going around to see that the lobster fishermen did not take lobsters out of season. Those cutters are down there now, but what are they doing? I am informed that a vessel came into Souris recently and that when a boat went out to it to get some liquor, it was stated that the whole consignment was for one individual, and that if liquor was wanted the vessel would be back the following week. She reappeared last Saturday or Sunday, and all the fishermen were so paralyzed that they could not take their trips. This is nothing new: it was going on last season, and the matter has been brought to the attention of the Government, which has ships down there to look after the fishing industry.

Hon. Mr. ROBINSON: Is the liquor distributed only to the lobster fishermen?

Hon. Mr. McLEAN: When there are forty or fifty men around and there is a supply available, they are very apt to go and get it. I think we all would have some if we were in a position to get it.

Hon. Mr. BUREAU: I desire to concur in the remarks of my honourable friend from Grenville (Hon. Mr. Reid). I must say, as the head of the Customs Department for three years, that I have found that staff most efficient; but the trouble is that people do not realize the amount and importance of the work that has to be performed by the officers of that Department. I am satisfied that there is no better staff in the whole administration. The difficulty is, as my friend from Grenville has stated, that they are underpaid, and the Department is undermanned, though the accusation has always been made that the men were overpaid and that the staff was overmanned. That was the criticism that we had to meet.

Another trouble has been that the Civil Service has been standardized. In order to secure the position of Chief Clerk in Customs as in all other departments, a man must write a good hand and know his grammar and geography, et cetera, whereas the great essential for efficient service in that department is character—I do not know whether that is the proper English word, but I mean honesty and integrity. There is in Canada no position in which a man is exposed to such temptations as in the Department of Customs. Let me illustrate. Take a man who is getting $80 a month. Perhaps he is at Windsor Station in Montreal or the Union Station in Toronto. He may have a sick wife; his house may be cold; no coal in his cellar. As he goes to his work he sees everybody joyous, looking at the windows—men and women and children examining the displays of Christmas goods. He may have in his pocket a doctor's prescription, but may not have the dollar that will buy what he wants for his sick wife. That man gets down to the station. A traveller comes to him and says: "I have a trunk here; it contains nothing but wearing apparel and my baggage; I have a friend waiting outside; don't bother about it; here is $10." And the man accepts, not with criminal intent, but forgetting for the time being his duty, and actuated by his distress and misery. I ask, is it fair that a man who works for the public should receive a salary with which he cannot secure a decent living? How can you expect him to resist temptation?

The chief point is to be able to control your staff. My friend from Grenville had a better chance when in office, for he could choose his men, though as far as salary was concerned he was handicapped. What I want to emphasize is that a customs officer, especially at railway stations, at bridges and on the border, to be placed above temptation, must be paid sufficient salary to supply himself and his family with the necessaries of life. As my honourable friend pointed out, you cannot secure a man in the Customs for certain duties without pay-

ing an adequate salary. For example, you cannot get an appraiser who knows all about dry goods for $1,500 or $2,000 a year, when he could go to Gault's or Morgan's and get $5,000 or $6,000. It would not be reasonable to suppose that a man would be so patriotic as to starve himself and his family for the purpose of serving his country. In fact, that would not be patriotism at all. Therefore, if we are going to do anything which will prevent smuggling—which has no reference to this particular item—we will have to pay better salaries, and also allow the man who is responsible for the service to choose the men he is to take into his service, and give him power to dismiss them as he wishes, and engage others.

In regard to this item, I would like to say that as far as encouraging the manufacture of automobile parts in Canada is concerned, if automobiles can be manufactured cheaper on account of the fact that you import free those parts that are not made in Canada, you are going to increase the number of automobiles manufactured in this country. Then, the increase in the production of cars will be an inducement to manufacture parts, for no one is going to manufacture parts if there is not enough demand for them to make it a paying business. I think this provision is wise. Everywhere in the Customs Tariff you will find provisions making certain things free, but only to certain classes of persons. In this case they are free to manufacturers, and this is still further limited to manufacturers of the articles mentioned in items 438a, 438b and 438c. That is the proper way to deal with the manufacturers of automobiles, motor vehicles of all kinds, chassis, etc. If you put the tariff on those parts too high you prevent the automobile manufacturer from being able to compete with others in the United States.

My honourable friend says: "Put on a higher duty." Well, it is a big question, that of a tariff for revenue or a protective tariff, and I am not going to discuss that question now: it would involve too long a discussion. But under present circumstances here we are; we say we must develop the automobile industry in this country; how are we going to do it? These men have to compete with the Americans who make certain parts. Will they be able to compete if we put a duty on those parts which are not manufactured in Canada? I do not believe it. I think the proper thing to do is to allow to come in free those parts you cannot get here; so as to make your car cheap, and create a bigger market. Again I say I am not going to enter into a discussion as to whether a low tariff or a high tariff is preferable. You may make your tariff so high that you would not have any market at all except, as my honourable friend the leader of the Government has said, for men who are capitalists. I think the tariff as it is now is perfectly correct.

Hon. Mr. GORDON: Suppose we refer to the Bill again. I would like to ask in reference to item 448; what is the change in the tariff?

Hon. Mr. DANDURAND: The change is in the addition of the words towards the centre of the item:

Pasteurizers for dairying purposes; equipment for generating electric power for farm purposes only, viz: engine, generator, storage battery and switchboard.

That is all.

Hon. Mr. GORDON: Is the tariff the same?

Hon. Mr. DANDURAND: The same rate.

Hon. Mr. GORDON: On the next item, is the tariff the same?

Hon. Mr. DANDURAND: The next item, 453f, covers "iron or steel castings in the rough, not further finished than with the burrs removed, when imported by manufacturers of shot guns for use only in the manufacture of such articles in their own factories." The former duty was 15 per cent preference, 25 per cent intermediate, and 27½ per cent general. The rates will now be 5, 7½ and 10 per cent respectively. The reduction is for the purpose of encouraging the manufacture of the guns in Canada.

The schedule was agreed to.

The Bill was reported.

THIRD READING

Mr. DANDURAND moved the third reading of the Bill.

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

RAILWAY BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 149, an Act to amend The Railway Act, 1919.

He said: Honourable gentlemen will see that by this Bill subsection 2 of section 262 of the Railway Act, 1919, as enacted by chapter 68 of the Statutes of 1919, is repealed, and the following substituted therefor:

(2) The total amount of money to be apportioned, and directed and ordered by the Board to be payable from any such annual appropriation shall not, in the case of any one crossing, exceed forty per cent of the cost of the actual construction work in providing such

protection, safety and convenience, and shall not, in any such case, exceed the sum of twenty-five thousand dollars, and no such money shall in any one year be applied to more than six crossings on any one railway in any one municipality or more than once in any one year to any one crossing.

The Railway Act, 1919, section 262, provides for the grant of $200,000 each year for ten consecutive years from April 1, 1919, to be applied as limited in subsection (2) of the section set out, in effect:

Contribution in respect of any one crossing of an amount not exceeding 25 per cent of the actual cost of the construction work in providing protection and not exceeding in the whole $15,000, such contribution being limited to one crossing once in one year and to not more than six crossings on any one railway in any one municipality in the year.

The proposed amendment to the Railway Act, 1919, has the effect of increasing, respecting any one crossing, the percentage above named, namely, from twenty-five to forty and the maximum amount payable from $15,000 to $25,000, subject to all the other terms and conditions as at present in force.

The Railway Grade Crossing Fund legislation, which originated with the Act of 1909, chapter 32, was intended to provide for the protection, safety and convenience of the public in respect of highway crossings at rail level in existence on the first day of April, 1909, either by the separation of grades involving the construction of subways, viaducts or overhead bridges or by the provision of gates, wigwag systems, watchmen, etc.

The Government has received many representations to the effect that, on account of the relatively small contribution permitted by the Dominion under this Act, the use for which the legislation was designed has been very little availed of. The Good Roads Association has been particularly urgent in its representations. The subject was referred to the Board of Railway Commissioners for report, and this Bill is based on the recommendations of the Board.

The changes are in a few words. As I stated, the amount payable annually for each crossing was not to exceed 25 per cent of the cost of the construction work. Now it is suggested to make it 40 per cent. The amount under the present legislation was not to go beyond $15,000, but it is now placed at $25,000.

Hon. Mr. REID: I understood the honourable leader of the Government to say that this legislation is introduced at the suggestion of the Board of Railway Commissioners. As I understand it, there are practically only two railways in Canada, and I presume this measure will be administered as the existing Act has been. When a crossing was to be changed, if I remember rightly, the Board of Railway Commissioners decided the proportions which the different parties interested were to pay. The Government paid 25 per cent, the railway paid a certain amount, and the municipality was assessed for a certain amount.

Hon. Mr. GORDON: Do you remember the percentages?

Hon. Mr. REID: I think it was left for the Board of Railway Commissioners to decide. If the work amounted to $20,000, 15 per cent would come from the Government and the other 85 per cent would be apportioned by the Railway Commissioners, who would require the railway to pay so much, the municipality another proportion, and I think the local Government also subscribed. The cost was divided among several, and it was not very much for each to pay. Now, if pressure is being put on the Government to increase these amounts, what I want to know is whether both the Canadian Pacific and the Canadian National are pressing.

Hon. Mr. GORDON: Would it not apply to the Ontario Government Railway also?

Hon. Mr. REID: No, I do not think so. That railway has an Ontario charter, and does not come under the general Dominion administration.

Hon. Mr. GORDON: It obtained a Dominion subsidy.

Hon. Mr. REID: That was voted here, but the Ontario railways are administered under an Ontario charter, because they are not works constructed for the general advantage of Canada.

Hon. Mr. GORDON: But I thought that after they obtained a subsidy from the Dominion they were placed in a somewhat different category.

Hon. Mr. REID: I do not know. This legislation may apply to them as well, and I would have no objection to that; but if these are the only two railways that have raised the question, or if it has only been the Canadian National, it really means that we are relieving the Canadian National of that amount of money which might be expended, and adding it to the national debt. I thought 25 per cent was a very reasonable amount for the Government to subscribe, and of course the Canadian National was entitled to it, but 40 per cent seems to me to be a very large sum. It is hard for me to believe that there has been

pressure from these two large railways to increase that amount, so I would like to know, if possible, where the pressure has come from.

Hon. Mr. McLENNAN: Or—put it the other way—does the fund remain the same?

Hon. Mr. DANDURAND: Yes, $200,000. My honourable friend has had much more experience than I have had in this matter; but my experience leads me to believe that there never is any pressure from the railways. It is public, through associations or municipalities or private individuals, that clamours for that protection, and I have never seen the railways sympathetically disposed. On the contrary, they have always tried, by all kinds of devices, to postpone the doing of what was being asked, even with the advantage of the grant provided for in the Act. I have not the record before me; but I stated that the Good Roads Association has been particularly urgent in its representations. All those who follow the newspapers know the formidable increase in accidents at these crossings, through the use of the motor car, and I am not surprised that the public is clamouring for more safety.

Here is a statement of the sums that have been spent under this Act. They indicate that not very much has been done, although the present legislation, the Railway Act of 1919, section 262, provides for the grant of $200,000 each year for ten consecutive years from April 1, 1919, to be applied as limited in subsection (2):

Expenditure under Railway Grade Crossing Fund from April 1, 1909, to May 12, 1926

1909-10	$ 70 00
1910-11	6,909 18
1911-12	7,643 14
1912-13	20,807 38
1913-14	39,968 11
1914-15	92,099 48
1915-16	47,079 99
1916-17	46,630 53
1917-18	13,740 85
1918-19	8,715 46
1919-20	12,359 74
1920-21	56,772 62
1921-22	13,292 44
1922-23	46,885 94
1923-24	44,439 94
1924-25	39,436 49
1925-26	66,224 53
1926-27 to May 12th	16,361 43
	$579,437 25

So honourable gentlemen will see that, notwithstanding the amount available for protection and safeguards, very little has been expended yearly.

Now, I suppose that the greater cost of labour and material would justify a certain increase under that head. I do not know whether I have before me the text of the Railway Board's recommendations. All I can say is that this subject was referred to the Board of Railway Commissioners for report, and the Bill is based on the recommendations of the Board, and contains practically the two suggestions that it made.

We might take the second reading of this Bill now, and if any honourable member has any further question to put, which I cannot answer at the moment, I may be able to answer it when we go into Committee.

Hon. Mr. TURRIFF: I understand that if we grant this increase it will save the Railway Companies just so much.

Hon. Mr. DANDURAND: No, I do not say that. If the municipalities are contributing under this Act, as I think they are, it will stir them into action. The maximum amount is increased from $15,000 to $25,000. But I believe that the Railway Companies themselves, on account of the higher cost of construction, will have to pay as much, in spite of the increase in the contribution to be had from that fund.

Hon Mr. TANNER: Can the honourable leader of the Government tell me whether the principal Act defines the word "municipality"?

Hon. Mr. DANDURAND: Yes.

"Municipality" means an incorporated city, town, village, county, township, parish, or rural municipality.

Hon. Mr. DONNELLY: The Act limits the application to six crossings in any one "municipality." I understood the Minister to say that "municipality" is defined as a county or a township. Is the limit applied to the county or to the township?

Hon. Mr. DANDURAND: Perhaps the answer is to be found in this section 262 of the Railway Act of 1919.

Hon. Mr. BEIQUE: "Municipality" is defined in the Railway Act as an incorporated city, town, village, county, township, parish or rural municipality.

Hon. Mr. DANDURAND: Yes; that is what I have just read.

Hon. W. B. ROSS: It is a very important question.

Hon. Mr. DANDURAND (reading):

262. (1) The sums appropriated and set apart to aid actual construction work for the protection, safety and convenience of the public in respect of highway crossings of railways at rail level in existence on the first day of April, one thousand nine hundred and nine, shall be placed to the credit of a special account to be known as "The Railway Grade Crossing Fund," and shall be applied by the Board, subject to the limitations hereinafter set out, solely towards the cost (not including that of maintenance and operation), of actual construction work for the purpose aforesaid.

(2) The total amount of money to be apportioned, and directed and ordered by the Board to be payable from any such annual appropriation shall not, in the case of any one crossing, exceed twenty-five per cent of the cost of the actual construction work in providing such protection, safety and convenience, and shall not, in any such case, exceed the sum of fifteen thousand dollars, and no such money shall in any one year be applied to more than six crossings on any one railway in any one municipality or more than once in any one year to any one crossing.

(3) In case any province contributes towards the said fund, the Board may apportion, direct and order payment out of the amount so contributed by such province, subject to any conditions and restrictions made and imposed by such province in respect of its contribution.

(4) In this section,—

"crossing," means any steam railway crossing of a highway, or highway crossing of a steam railway, at rail level, and every manner of construction of the railway or of the highway by the elevation or the depression of the one above or below the other, or by the diversion of the one or the other, and any other work ordered by the Board to be provided as one work of protection, safety and convenience for the public in respect of one or more railways not exceeding four tracks in all crossing or so crossed;

I have already given the definition of the word "municipality" as contained in the section.

(5) The grand of two hundred thousand dollars each year for ten consecutive years from the first day of April, one thousand nine hundred and nineteen, made under the provisions of an Act passed at the present session of Parliament shall be expended for the purposes mentioned in the said Act, subject to the terms and conditions in this section contained.

Hon. Mr. DONNELLY: In subsection (2) of the Bill we are considering it is stated:

No such money shall in any one year be applied to more than six crossings on any one railway in any one municipality or more than once in any one year to any one crossing.

As I understood the honourable Minister, he defined the word "municipality" to mean county, incorporated town, township, and so on. What I have been for some time trying to determine is whether the apportionment of the money is limited to six crossings in a county or to six crossings in a township. The definition as given by the honourable Minister includes both county and township.

Hon. Mr. DANDURAND: Will the honourable gentleman kindly repeat his question?

Hon. Mr. DONNELLY: Under the Bill which we are now considering, the expenditure is limited to six crossings in any one municipality. According to the definition given a few moments ago, as I understood it, the word "municipality" applies to a county, a township or a smaller municipality. What I am trying to ascertain is whether in the application of this Bill, the limit of six crossings applies to a county or to a township.

Hon. Mr. DANDURAND: According to the definition in the 1919 Act, "municipality" means an incorporated city, town, village, county, township, parish, or rural municipality.

Hon. Mr. BUREAU: That is all right. The word "municipality" is used instead of all those other terms.

Hon. Mr. TANNER: I have in mind this instance, which I cite for the purpose of information. The county of Pictou, where I formerly lived, is a municipality, but in that county there are five incorporated towns. These towns do not form any part of the municipality, but they form a part of the county. I should understand from what my honourable friend has read that each incorporated town is a municipality, within the meaning of this Act, and that the limit of six would apply to each incorporated town and also to the municipality.

Hon. Mr. HAYDON: Honourable gentlemen will perhaps understand the meaning and application of this legislation by reference to the origin and purpose of the Grade Crossing Fund. Anyone who has had to do with railway legislation and with applications before the Railway Commission will appreciate the difficulty which arose when after the establishment of the Railway Commission, there was the larger and clearer jurisdiction over the operation of railways. Arrangements were made, as honourable gentlemen know, for the Board to deal with and report upon accidents at railway crossings. Because of the continuance of accidents at railway crossings the question then arose whether public protection might not be obtained by the institution of the fund now known as the Railway Grade Crossing Fund; so Parliament ordered that a certain sum be set apart annually for protection at these situations. It was provided that 25 per cent of the cost of changing a grade crossing to an overhead crossing or a subway should be paid by the country, and that the rest of the cost should be apportioned by the Chief Engineer of the Railway Commission between the municipality and the railway or railways interested, or whatever other public bodies might be considered to be interested.

Hon. Mr. TANNER: We all understand that. It is only the question of what "municipality" means that we are discussing.

Hon. Mr. HAYDON: I quite understand. The question would have to be determined by the courts of the country. I think that since the institution of the Grade Crossing Fund it has not been determined by any court whether, within the meaning of the Railway Act, "municipality" is a county or a township,

or whether or not the apportionment of money might apply to six crossings within a township and twenty or more within a county; the reason being that such a situation has not arisen. It is not very often that the grade crossing situation has come before the courts or before the Railway Commission for consideration, as is quite evident by the statement given by the honourable leader of the Government, setting out the amounts of money that have been paid annually out of the fund. It is only once in a while that a railway grade crossing becomes dangerous, and it would be nearly inconceivable that there might be six such crossings in a town or in a parish such as the honourable member for Pictou (Hon. Mr. Tanner) has mentioned. However, there might be; and there might be six in the next; and one reasonable interpretation of the statute, as I take it, would be that in some municipality or township there might be six such crossings, and in the county if there were twenty townships, there might be 120 such crossings. The question as to how the division should be made, or what this clause would mean, has not, I think, been determined by the courts, and until it is so determined I do not think an answer could be given in this House.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Pardee in the Chair.

The Bill was reported without amendment.

THIRD READING

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

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

CANADIAN RED CROSS SOCIETY BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 151, an Act to amend the Canadian Red Cross Society Act.

He said: Honourable gentlemen, when this Society was incorporated it was given the right to purchase, take, have, hold, possess, retain and enjoy any property, real or personal. During the war it did purchase a few pieces of property here and there in Canada, but afterwards, when it wanted to dispose of any property, it found that it had not obtained the right to sell. It is now intended to amend subsection 1 of section 5 by adding thereto the following clause:

The Society may from time to time dispose of any such property in such manner and upon such terms as it may deem advisable.

I think it should meet with no objection.

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

THIRD READING

Hon. Mr. DANDURAND: I do not suppose we need to take the Committee stage. I move that this Bill be now read the third time.

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

YUKON QUARTZ MINING BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 154, an Act to amend the Yukon Quartz Mining Act.

He said: Honourable gentlemen, the regulations for the disposal of quartz mining claims on Dominion lands in Manitoba, Saskatchewan, Alberta, the Northwest Territories and the Yukon Territory were approved by Order in Council dated the 25th May, 1917.

In the year 1924 the request was made that these regulations be confirmed by Act of Parliament, insofar as they applied to the Yukon Territory, and by an Act respecting quartz mining in the Yukon Territory, assented to on the 19th July, 1924, the Quartz Mining Regulations, insofar as the Yukon Territory was concerned, were established.

All quartz mining claims acquired prior to that date were held under the Quartz Mining Regulations, which, at the time, were identical with the Quartz Mining Act, assented to on the 19th July, 1924.

By an Act to amend the Yukon Quartz Mining Act, assented to on the 27th July, 1925, a number of amendments were made to the said Act, so that the Quartz Mining Regulations under which mineral claim were previously acquired and the Act in force in the Territory were no longer identical.

Subsection (q) of section two of the said Act provided that "mineral claim" or "location" shall mean a plot of ground staked out and acquired under the provisions of the said Act.

The Department of Justice therefore decided that the Quartz Mining Act, assented to on the 19th July, 1924, was not retroactive in force, and that the very large number of mineral claims acquired under the regulations prior to that date are still held and administered under the provisions of the late regulations.

As it seemed most desirable that all mineral claims in the Yukon Territory should be held

under the same terms and conditions, and as the Quartz Mining Act now in force contains provisions that are beneficial to the recorded owners of mineral claims, it has been considered advisable to amend the Yukon Quartz Mining Act so that it may operate retroactively, and apply not only to mineral claims acquired since the 19th July, 1924, but to all mineral claims acquired prior to that date. With that end in view, it is recommended that subsection (q) of section two of the said Act be amended to provide that a mineral claim shall mean a plot of ground staked out and acquired under the provisions of the Act or under the regulations or Orders in Council in force prior to the passing of the said Act.

This amendment is in full accord with the wishes of the mine operators, the chief executive officer and the Member of Parliament for the Yukon Territory.

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

CONSIDERED IN COMMITTEE AND REPORTED

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

Hon. Mr. Gillis in the Chair.

Sections 1 and 2, the title, and the preamble were agreed to, and the Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

DOMINION FOREST RESERVES AND PARKS BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 97, an Act to amend the Dominion Forest Reserves and Parks Act.

Hon. Mr. Stanfield in the Chair.

On section 1—schedule amended:

Hon. Mr. DANDURAND: I was asked by the honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) what areas were eliminated and what added. I have a statement before me, which is as follows:

	Area eliminated sq. miles	Area added sq. miles
Manitoba	20.30	1.55
Saskatchewan	167.27	15.40
Alberta	....	332.00
British Columbia	0.12	346.75
Grand total	187.69	695.70

Section 1 was agreed to.

The preamble and the title were agreed to, and the Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

STANDING COMMITTEE ON BANKING AND COMMERCE

ADDITIONAL MEMBERS

Hon. W. B. ROSS: Honourable gentlemen, before the House adjourns, may I submit the names of two honourable gentlemen that I would like to have added to the Committee on Banking and Commerce which has the Rural Credits Bill before it. I beg to move, with the leave of the House:

That Rules 24a and 24f, and section 4 of Rule 78, be suspended, and that the names of Right Hon. Sir George E. Foster and Hon. Mr. Calder be added to the Committee on Banking and Commerce.

Hon. Mr. DANDURAND: Are there vacancies on the Committee?

Hon. W. B. ROSS: No, but we are suspending the rules.

Hon. Mr. DANDURAND: You are increasing the number by two. Of course, it is for the Session only?

Hon. W. B. ROSS: That is all.

The motion was agreed to.

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

THE SENATE

Thursday, June 10, 1926.

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

Prayers and routine proceedings.

PRIVATE BILLS

THIRD READINGS

Bill O6, an Act to incorporate Gatineau Transmission Company.—Hon. Smeaton White.

Bill 93, an Act to incorporate the Canadian Dexter P. Cooper Company.—Hon. Mr. Todd.

Bill G6, an Act respecting certain patents of James McCutcheon Coleman.—Hon. Mr. Belcourt.

Bill 13, an Act respecting a patent owned by the John E. Russell Company, Limited.—Hon. Mr. Belcourt.

Bill 11, an Act to incorporate the President of the Lethbridge Stake.—Hon. Mr. Buchanan.

DIVORCE BILLS

FIRST READINGS

Bill P6, an Act for the relief of Gwendolen McLachlin.—Hon. Mr. Pardee.

Bill Q6, an Act for the relief of Jessie Evis.—Hon. Mr. Schaffner.

Bill R6, an Act for the relief of Max Gertler.—Hon. Mr. Robertson.

Bill S6, an Act for the relief of Florence May Hicks.—Hon. Mr. McMeans.

Bill T6, an Act for the relief of Ruth May Harrington.—Hon. Mr. Lewis.

Bill U6, an Act for the relief of Edith May Harrington.—Hon. Mr. Lewis.

Bill V6, an Act for the relief of Joseph Bernard Hoodless.—Hon. Mr. Lewis.

Bill W6, an Act for the relief of Amelia Chester.—Hon. Mr. Willoughby.

RAILWAY BELT WATER BILL

FIRST READING

Bill 171, an Act to amend the Railway Belt Water Act.—Hon. Mr. Dandurand.

PAYMENTS TO HOME BANK DEPOSITORS

INQUIRY

Hon. Mr. REID inquired of the Government:

1. Was a return as required by clause 10 of Act, chapter 45, 15-16 George V, for the relief of certain creditors of The Home Bank of Canada, laid on the table during the present session? If so, on what date?

2. If it has not been laid on the Table, when will it be done?

3. How many claims have still been unsettled?

4. What amount is still claimed by the unsettled claims?

Hon. Mr. DANDURAND: I have an answer for the honourable gentleman. As to questions 1 and 2:

An interim return, based upon data received up to that time from the liquidators, was presented by the Minister of Finance on January 11, 1926.

I am under the impression that that statement is true as far as the other branch of Parliament is concerned. I have just inquired, and am informed that the return was not laid on the Table of this Chamber, but I will see that that is done.

As to questions 3 and 4:

Claims over $500 in amount, not disposed of by the Commissioner, number 1,787, and amount to $2,778,-739.01. These, it is stated, include a large number which, undoubtedly, are not entitled to relief under the terms of the statute.

Hon. Mr. REID: I might say to the leader of the Government that section 10 of the Act reads as follows:

The Minister of Finance shall annually submit to Parliament, within 14 days of the opening thereof, a detailed statement showing the names and addresses of all persons who have received aid under this Act, the amount of their respective claims, and the amount paid to each.

If I understand the statement of the honourable leader, that return, in accordance with the Act, was laid on the Table of the House of Commons on January 11, 1926.

Hon. Mr. DANDURAND: Yes. When I get a copy of that return, we will see how it conforms with the Act.

Hon. Mr. REID: I am glad to hear that, because I have not found it in any place in the House where I have inquired.

AUTOMOBILES IN PARLIAMENT GROUNDS

On the Orders of the Day:

Hon. Mr. GORDON: I desire to call the attention of the leader of the Government to the dangerous and reckless speed at which motor cars are allowed to travel in entering the Parliament grounds, and passing over the roads. The principal danger-point to which I wish to direct attention is the entrance through the east gate. Not many evenings ago, had it not been for the intervention of Providence, the Premier's prayer for the reformation of this House might have been one step nearer to accomplishment. To-day, in coming through the same gate, I walked over to where a policeman was on duty, and asked him if part of his duty was to check drivers who were coming through the gate at a high speed. He replied that perhaps it was, but that necessarily he had to be so much away from that point that he could not watch the gate all the time for that purpose.

So far, I have not known of any accidents, and possibly there have been none, but I am quite satisfied that unless stricter regulations are made and some watch is kept, particularly on that gate, a serious accident will occur. I would therefore ask the leader of the Government to look into the matter, and perhaps publish some kind of regulations to guard people who have to come into the grounds on foot, and particularly to see that some person looks after the matter.

Hon. Mr. McCORMICK: I would like to endorse the suggestion of my honourable friend. A little over a year ago, on my going down the walk from the building towards the gate, a car came up Wellington Street and made a sharp turn in front of the building without blowing a horn or having a light.

While I was crossing the roadway the car struck me and broke the bones of my wrist. That has had the effect of making me very nervous about the traffic, so that now, instead of looking two ways, I look four ways.

I think that, without causing inconvenience to people using automobiles, increased safety to the public might be secured by having that gate closed. If the entrances on the west and in the centre only were used, a person going down from this building would have some measure of protection; but in a foggy night, with reckless people driving, there is no protection whatever. It is particularly dangerous to go through the east gate, because there is a short turn. I therefore suggest that without inconvenience to those who drive automobiles that gate might be closed entirely.

Hon. Mr. HUGHES: I wish to raise my voice in reference to this matter. A few evenings ago I was coming through that gate, and I had raised my umbrella, when a car came through the gate and made a sharp turn to go around by the south end of the east block, and I thought I had a narrow escape. I heard no horn, and I do not know whether or not one was sounded. I think an accident will occur there if something is not done. Whether the gate should be closed, or a policeman specially instructed to see that automobile drivers observe the rule, I think special care might be taken with cars coming through that gate. The turns are very short, and it is very difficult to avoid a car in that particular locality.

Hon. Mr. DANDURAND: I will draw the attention of the proper authority to the matter that has been brought before this Chamber. I think it is quite proper that all those who frequent Parliament should have a fair amount of protection.

Hon. Mr. BELCOURT: Even Senators.

Hon. W. B. ROSS: I hope the honourable gentleman will not only call the attention of the proper authorities to the matter, but also enter a pretty strong protest against what is going on. I say that because this is not the first time the matter has been mentioned in this House. Two or three years ago there were some accidents of a minor character. The fact is, there are three death-traps in front of this building—the east, west and middle gates. There are policemen now in front of this building who, if they were down at those gates, would be of some value, but who are of no special service at these doors. I would go so far as to suggest that we put this matter into the hands of the Mounted Police, and let them take charge of those three gates and mount a guard there, as they do at St. James palace.

Right Hon. Sir GEORGE E. FOSTER: I would like to add my testimony to the others. Only two or three days ago I came within three or four inches of being absolutely run over. A youngster whom I do not know, who was driving a car, paid no attention to the fact that there was any other human being in the wide universe besides himself and his car—for I think the car was just about as human as he was. He was going at full speed, and I was just within a few inches of being run over. Every kind of car runs in and out of these gates, from every quarter of the world, and my hair rises almost every time I attempt a passage. I am quite willing to go when my time comes, but I would awfully hate to go out smashed up by a car run in that kind of way.

I think that the situation requires more than simply that attention be called to the matter. We would all feel that we had been a little lax if one of our number, or somebody else, happened to be slaughtered there some morning, and that is quite a possible occurrence. The cars come from four different directions, and they are on to the foot passenger before he knows it, for the drivers have no respect for pedestrians at all.

Hon. Mr. DANDURAND: Well, my first duty will be to find out where resides the motive power, and as soon as I know which member of the Government has the proper authority, I will ask that he apply that authority to cure this evil.

Right Hon. Sir GEORGE E. FOSTER: It really is serious.

Hon. Mr. STANFIELD: While we are on this subject, could we not go a step further? I understand that Wellington Street, in front of the Parliament buildings and the east and west blocks, is under the jurisdiction of or is controlled by the Federal authorities. I have several times noticed that cars going out of the centre gate and crossing to Metcalfe Street make walking quite dangerous, and drivers seem to have no respect for pedestrians. They drive along there, as I have seen them, at 35 or 40 miles an hour. The same remark applies to Elgin Street, which is even more dangerous, because more motors come on that street and around that way. I think the leader of the Government should inquire and ascertain if motors could not be limited to a reasonable rate of speed when coming along those two blocks.

CHICOUTIMI HARBOUR BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 150, an Act respecting the Chicoutimi Harbour Commissioners. He said:

This Bill has for its object the creation of a corporation called the Chicoutimi Harbour Commission. As honourable gentlemen know, there are a certain number of ports that are managed by Commissions, and others that are managed directly by the Public Works Department.

The people interested in the Saguenay River have been pressing for the organization of a Harbour Commission which will take charge of the waters running past the city of Chicoutimi and down as far as and including Ha-Ha Bay where Port Albert is situated.

Honourable gentlemen are aware that considerable development is taking place in the neighbourhood, that large works are being built, and that extensive industries will be added to those already there; so there will be need for an intelligent and experienced management of that port. In fact, the port already does considerable business with Europe, because pulp is taken from the wharves at Chicoutimi and carried across the ocean. Port Albert, at Ha-Ha Bay, is designed also for considerable activities because of the aluminium company which will be in control of that port and of the port of Chicoutimi.

I think that it is quite reasonable that we should respond to the demand of the people of that region for a Harbour Commission. It represents no outlay or charge upon the Federal treasury. If and when a scheme of development is proposed which would call for the borrowing of money, it will not be done except through and with the consent of Parliament.

Hon. Mr. REID: Honourable gentlemen, with reference to this Bill I feel that at least we should give it our very serious attention. I know the locality, having been there several times. This Bill is to govern two distinct localities, Chicoutimi and Ha-Ha Bay, which must be 25 or 30 miles apart. At both of those points the Government has spent very large amounts. It has done a great deal of work, and good work; and I understand that these works—wharves and storehouses, and all that—are, under this Bill, to be handed over to the Harbour Commission. The Commissioners are to have power to borrow all the money they like on the works resulting from the millions of dollars that have already been expended by the Government.

When the Bill is in Committee I would like the leader of the Government to tell us how much money the Government has expended at Ha-Ha Bay and also at Chicoutimi. Of course, there is dredging between those two point, on which large amounts have been expended; but I am not so anxious to know about that as to know how much property we are handing over to the Harbour Commission. I understood the leader of the Government to say that this did not involve any money from the treasury.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. REID: But the Government practically guarantees the bonds for the amount that the Harbour Commission may borrow on the properties on which they have already expended millions of dollars.

Hon. Mr. DANDURAND: I would draw attention to the fact that the Harbour Commission can borrow its money outside for any development; but I suppose it would require the sanction of the Department of Marine and Fisheries. If the Commission came to the Federal authorities for a loan or an endorsation of its bonds, that could not be done except by an Act of Parliament.

Hon. Mr. REID: The position I take is that if the Commission go outside to borrow the money, the Government practically endorses the bonds, and if there is default I cannot see how we can get out of paying, because before the Commissioners are allowed to issue the bonds they must get an Order in Council authorizing them to borrow the money. Although they have not really put their stamp on the bonds, I think I am right in saying that when that Order in Council is issued, they will be responsible. Of course, the leader of the Government is right in saying that if the Harbour Commissioners want money from the Government they must come here to get it by Act of Parliament; but if the Bill goes through, it will be a great surprise to me if that is not done, and if we are not confronted next year with an item in the Estimates for two or three million dollars for this harbour.

I am in favour of Chicoutimi Harbour and Ha-Ha Bay being developed, but I am opposed to putting a small harbour like this into the hands of a Harbour Commission. The Government have carried on the work there very well through the Department, and I do not think a great deal more is necessary to make these two harbours equal to any others

in the Dominion. At the same time I feel that it would be much better to let the Government complete the work and collect the revenue than to mortgage the properties and put them in the hands of a Commission that may not do the work as well or at as reasonable an expenditure as would the Public Works Department. Before the Leader of the Government asks to have the Bill go through, if he is going to press it, I hope he will be able to give us the information that I have asked for so that the Senate may be seized of the facts and familiar with the whole situation.

Hon. Mr. DANDURAND: If I understand my honourable friend, the information he desires is the amount of money that has already been spent by the Federal authorities on these two ports which, henceforth, will form one port.

Hon. Mr. REID: Also I would like to know how operations are carried on, and what revenues are received at these ports; and, further, I would like to know the reason why the work should be carried on by a Board of Harbour Commissioners instead of by the Government. The Leader of the Government knows that we have several Harbour Commissions in different parts of the country, and that the only one that has paid any return is that at Montreal. Glowing accounts have been given of what was going to be done, but outside of one or two cases I have never heard of these Boards paying even the interest.

Hon. Mr. BEIQUE: Honourable gentlemen, I happen to know something about the situation at Ha-Ha Bay and Chicoutimi. For the past six years, although I have had no personal interest, I have been looking after the interests of others at Chicoutimi and Ha-Ha Bay. The Ha-Ha Bay harbour is a very important one. The work there has not been done by the Government but by the Chicoutimi Port Company, which has expended over $700,000 in building a wharf at which two large vessels may load or unload at the same time. At Chicoutimi, which is also a very important port, there is no deep water, as there is at Ha-Ha Bay, some twelve miles away, but it is known to honourable gentlemen, I think, that there is a very large development going on in that place. There is being spent, principally, by the Aluminium Company, but also by other companies, some $75,000,000 or $100,000,000, and there is no doubt that within three or four years there will be an additional population there of some 30,000 or 40,000 people. Land has been purchased, and one or two hundred houses will be built within a very short time. As I understand it, the object of this Bill is to create a corporation which may act as an intermediary between the Government and the different large interests there so as to save time; but that corporation, of course, will be under the control and direction of the Government, and cannot do anything except with its approval. If this work were not done by the Harbour Commission which is to be created, it would be done by the Government. I think the Bill should commend itself to this honourable House, and that it is in the interest of the development of that part of the country that it should pass.

Hon. Mr. REID: The honourable gentleman has just said that there has been an expenditure of some $75,000,000.

Hon. Mr. BEIQUE: No. I say that there has been an expenditure of over $700,000 on wharves at Ha-Ha Bay, and that some $75,000,000 is in the course of being expended.

Hon. Mr. REID: But the expenditure is taking place a great many miles from both Chicoutimi and Ha-Ha Bay.

Hon. Mr. BEIQUE: Six miles from Chicoutimi.

Hon. Mr. REID: At Ha-Ha Bay there is a pulp mill across from St. Alphonse. The honourable gentleman states that wharves have been built on which about $700,000 has been expended. The company that owns that mill, as the honourable gentleman knows, has been in very serious difficulties for some time. Is there any possibility that this Bill would give the Harbour Commission power to expropriate that wharf and pay the company $700,000 for it? There are also other private wharves at Chicoutimi that really do not affect the harbour at all. Is the Harbour Commission going to expropriate them and issue bonds to get money to pay for them? These are matters that I think we should understand, because, for the life of me, I cannot see why we should take over a wharf at $700,000 from a private corporation. If other wharves have to be built, or if the present wharf has to be extended, this Harbour Commission could go ahead and do it. The builders of those wharves expected to pay for them, and I think they should be allowed to keep them and do so.

Apart from all that, at St. Alphonse the Government has splendid wharves on which enormous sums have been spent, to which large boats requiring considerable water can go.

Hon. Mr. BEIQUE: No.

Hon. Mr. REID: That is what I understand. At all events, it would not take a very large expenditure to make that possible.

I am not objecting to these harbours being put in commission to do all the work that is necessary; but after the Government has expended large sums in practically completing the work, a very small additional expenditure would complete it. I feel that the Government should control and should not let the works be mortgaged. If you establish this Harbour Commission, it will probably have a large staff at Ha-Ha Bay and another at Chicoutimi, and it will cost more to carry on the work in that way than if it were carried on in accordance with the suggestions that I have made.

Hon. Mr. BEIQUE: If I may be allowed to answer the question, I would say that the company that built the wharf at Ha-Ha Bay was not in difficulties. It was the Chicoutimi Port Company; and the stock of that company, as well as the Roberval-Saguenay Railway, which is in that locality, was purchased by the Aluminium interests. I have no interest in the matter at all, and I am not aware of any intention to load the Harbour Commission with any part of the expense already incurred.

As I have already stated, the wharf at Ha-Ha Bay is a very important one, and all the traffic is handled there; the Government wharf does not amount to anything. At Chicoutimi the water is not deep enough for large vesels, and a big expenditure would be required to make a port there. Most of the produce of the Chicoutimi Pulp Mill is transported by railway to Ha-Ha Bay, and the other mill is built close to the wharf there. I do not think the honourable gentleman need apprehend that what is proposed will entail an expenditure that should not be made, or that it will not be in the interest of the country at large.

Hon. Mr. LYNCH-STAUNTON: Would the honourable gentleman tell us why this corporation should have any power to expropriate? The Public Works Department has power to do that if it is desired. There are two clauses in the Bill, 8 and 10, which deal with expropriation and which to my mind are quite different. Clause 8 says:

> The Corporation may, with the approval of the Governor in Council, acquire, expropriate, sell, lease or otherwise dispose of such real estate. . .

Then clause 10 says:

> Whenever the Corporation desires to acquire any lands for any of the purposes of this Act, should the Corporation be unable to agree with the owner of such lands as to the price to be paid therefor, the Corporation shall have the right to acquire such lands without the consent of the owner.

Under one clause power is given to expropriate with the consent of the Government, and under the other without that consent.

I am opposed to the Harbour Commission on principle. I think the Government can do the work to better advantage.

Hon. Mr. DANDURAND: My honourable friend has premised his remarks by stating that the Public Works Department has the right to expropriate.

Hon. Mr. LYNCH-STAUNTON: Yes.

Hon. Mr. DANDURAND: The Public Works Department has delegated its power to the Commission.

Hon. Mr. LYNCH-STAUNTON: I do not think it should.

Hon. Mr. DANDURAND: All Harbour Commissions are clothed with the same powers, and, if I did not do so before, I state now that this is a standard Bill with practically the same clauses that are to be found in the Vancouver Harbour Commissioners Bill or the Montreal Harbour Commissioners Bill. Here is a Commission constituted of men to whom no honorarium is to be paid. I do not know whether they may not be given something when the Harbour Commission is on easy street; but to-day they are men of substance who are interested in that vicinity and who will advise the Government. They are but an advisory board; they can do nothing in the way of expropriation without the sanction of the Governor in Council. They cannot borrow money without the sanction of the Governor in Council. They are the creatures of this Parliament, and are under the superintendence and control of the Governor in Council. They are taking hold of a certain area, and through the necessities arising from development may need to expropriate some lands. If my honourable friend will go to Vancouver or Montreal, he will see that a similar power was exercised under the control of the Federal authorities. When we go into Committee, I am convinced that by comparing this Bill with what we already have done my honourable friend will see that these are standard clauses.

Hon. Mr. LYNCH-STAUNTON: I draw the honourable gentleman's attention to clause 10. He may be quite right, but it does not appear to me that where the corporation can agree with the purchaser there is any necessity to have the consent of the Government. It may be so, but it does not appear so to me.

Hon. Mr. CROWE: Honourable gentlemen, a few minutes ago an honourable member stated that as far as he was aware the Harbour Commissioners of the Port of Montreal were the only Harbour Commissioners in Canada who paid to the Dominion Government the interest and sinking fund on the money that they borrowed. I ought to inform him that the Harbour Commission of the Port of Vancouver have made all their payments up to date. I do not want to see the statement go abroad that the Commissioners of the Port of Montreal are the only ones who have done so.

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

Hon. Mr. DANDURAND moved that the Senate go into Committee on the Bill.

Hon. Mr. REID: There is considerable information that we ought to have, and I think that we could get it, and probably time would be saved, by referring this Bill to some Committee. Therefore I would ask the honourable leader of the Government if he would not agree to having this Bill referred to a Standing Committee, rather than have it considered in Committee of the Whole.

Hon. Mr. DANDURAND: Inasmuch as this Bill is similar to those Bills that have been adopted, I do not believe it ought to be taken from Committee of the Whole for the purpose of obtaining special information. My honourable friend is one of the few members of this Chamber who know about Chicoutimi and that district; so I would rely upon him to give us all the information he has as to the topography. He has been there and knows what has taken place.

The honourable gentleman wishes to ascertain what the Federal Government has spent already. Well, whatever the Government has spent on works, those works will go under the management of the new Board.

As to the dues that have been collected at Chicoutimi, I have a statement of these before me. They hover around $8,000. In 1922-23 they were $8,343; in 1923-24, $7,818; in 1924-25, $7,192; in 1925-26, $7,463.

The aim in establishing this Commission is the preparation of that Port for the immense developments that are proceeding all around there. These will call for considerable transportation facilities. I believe this is a case that should commend itself to the Senate. There is certainly $100,000,000 to be expended within the next five years on important industries. Seven or eight hundred thousand horse-power is being developed. All this will call for a considerable amount of trade, and it seems reasonable that the men there who know what is coming should prepare to advise the Government. The Government must be advised in some way. It may be advised by certain of its own engineers; but the men on the spot who are connected with those industries and those developments are surely the men whose advice is worth something to the Government, and I do not see why there should be any difficulty about granting them the right to form a Board which will study the conditions of to-day and those of the morrow and will advise the Government.

Hon. Mr. REID: I have visited that locality several times, but I would point out to the honourable leader of the Government that there is a great deal of information that we ought to have. If the honourable leader of the Government wishes to railroad this Bill through, without giving us the necessary information, or putting us in a position to get it, then I suppose it must go; but I tell the honourable gentlemen that we need more than the answers to the few questions I asked. And I will tell the honourable gentlemen why I wish to have the Bill referred to a Committee. The officials would be there present. We could have, for instance, an official of the Department of Public Works, and could ask him how much has been spent; how much more it would take to put these harbours into proper condition; how much he expected the Harbour Commission would raise on bonds; whether it would cover all the works that the Government have built; is it the intention to take over any of these wharves, or will they continue to be owned by private parties. How can we get answers from the Minister sitting here? The advantage of referring the Bill to a Committee would be that when it had obtained all this information, it would report the Bill, and the House, I think, would be satisfied. I do not think there would be any opposition to the measure, or that the House wishes to do anything that would prevent those harbours being put into proper condition for the development that is expected. But we should have more information, and if this Bill goes to Committee of the Whole the Minister will not be in a position to give us that information. However, I have stated my objections. If the House wish to have it dealt with in Committee of the Whole, they may do so.

Hon. Mr. BELCOURT: Honourable gentlemen, I know a great deal about the development that has been going on for several years, and I know the country very well. I have had several occasions to spend months there, especially since the year 1913. I should not

have thought it necessary, after the honourable gentleman who sits next to me (Hon. Mr. Béique) had given his explanation, that I or any other member should corroborate what he has told us. I should have thought that his word would be found sufficient. But apparently it is not. Some opposition to this Bill is developing; I cannot understand why. What light would a Special Committee give us which would help us to decide whether the Bill ought to be passed or not? It is not a case of submitting to a Committee some projected works there, or some projected improvements to the harbour, or of considering a plan for a harbour. Nothing of that kind is contemplated at present. Certainly there are no plans, no data of any kind, that could be submitted to a Committee, except what information has been given by my honourable friend with regard to the construction of this wharf.

Now, I know from personal experience, which has been rather intimate, that there are works in progress there which will cost, as my honourable friend stated, between $75,000,000 and $100,000,000, and that in the near future. There are to be two very large developments: in one instance there will be developed about 600,000 horse-power, and in a development lower down there will be produced probably twice that quantity. Surely the people who are spending the tremendous sums of money involved in these works have a plan; they are not going to develop all this water-power without knowing what is going to be done with it. If we stop for one moment to think what can be done with that quantity of water-power, we must realize the great necessity there must be in that immediate neighbourhood for wharves, rail transportation, etc. Now, what is going to happen? The people who are spending all that money may find it necessary to spend in addition a large sum of money in preparing a harbour to provide necessary facilities at Chicoutimi and Ha-Ha Bay. Either they will do that, or they will seek the assistance of the Government for the purpose of obtaining those facilities. If they themselves are going to spend the money to make a real harbour there, why should we worry? It will be an all-year harbour, the only one we have.

Hon. Mr. DANDURAND: On the St. Lawrence.

Hon. Mr. BELCOURT: Or anywhere else, except Vancouver.

Hon. Mr. DANDURAND: And Halifax—

Hon. Mr. BELCOURT: That is true. Well, it is the only one on the St. Lawrence at all events. If they are going to spend the money, I repeat, why should we worry? Why should we not let them go on, and why not give them every facility to spend the necessary money? The other thing that may happen is that the Government may be asked for assistance. Parliament is certainly not going to give any assistance unless plans are prepared by the Government and submitted to both Houses. So there is no risk; we are not incurring any liability; we are doing nothing to prejudice the public interest. On the contrary, we are simply enabling men who are willing to invest $100,000,000 to proceed, and giving them all the facilities which they need in order to carry on their development.

Hon. Mr. CALDER: May I ask the honourable gentleman a question? If this Harbour Commission is created, will it have power to get money or guarantees from the Government without coming to Parliament?

Hon. Mr. BELCOURT: No.

Hon. Mr. DANDURAND: No.

Hon. Mr. BELCOURT: They cannot get one cent.

Hon. Mr. CALDER: That is as I understood.

Hon. Mr. REID: I would like to ask a question of the honourable member who has just spoken. Do I understand that this Bill and the development provided for are necessary on account of the output of those plants that are being established there? My understanding is that the development that is going on is a number of miles away from Chicoutimi or Ha-Ha Bay, and the output—

Hon. Mr. BELCOURT: May I answer that question? It is not settled what portion of the power developed is going to be used at Ile Maligne, where the first development is now, or whether the power development will be wholly or partly at Chicoutimi. A great deal of that power—I believe 75 per cent—will be used for through transmission lines. Remember, honourable gentlemen, that there will be 600,000 horse-power at one place and 1,200,000 at another. It is inconceivable that all that power can be utilized immediately on the spot. A great deal of it will have to be transmitted; and not only that, but some outside industries, which are not native—if I may use that expression—will have to be brought there. Otherwise it would be impossible to use a fifth or a tenth part of that power. Everyone who has been connected with the development has always realized that in order to utilize that immense water-power it is necessary to bring in some outside industries. If honourable gentlemen will consider what will be the result of using that tremendous power,

they will at once admit the absolute necessity of providing these people with harbour and railway facilities, and with transportation facilities of all sorts.

Hon. Mr. REID: The honourable gentleman asked leave to answer my question, but he has made a good, long speech. All I want to say is this, that the whole output of those paper mills will go by rail. It will not go through this harbour. The industries are all several miles away. The harbour will be used only for the products that may come in, except for those going to England. There may be some going to England.

Hon. Mr. BELCOURT: May I tell my honourable friend this, that it was contemplated at one time—and I do not know that the idea has been given up—that an immense quantity of fertilizers would be manufactured there and would be exported, not only to every part of this continent, but also to Europe. The plan contemplated, among other things, a fleet of 60 vessels of 10,000 tons each, which would bring phosphates from the southern parts of this continent to Chicoutimi, or Ha-Ha Bay, for the manufacture of these fertilizers. That is one of the outside industries to which I am referring.

The motion of Hon. Mr. Dandurand was agreed to, and the Senate went into Committee on the Bill.

Hon. Mr. Beaubien in the Chair.

CONSIDERED IN COMMITTEE

On section 1—short title:

Right Hon. Sir GEORGE E. FOSTER: Did I understand my honourable friend to say that this was on the standard lines?

Hon. Mr. DANDURAND: Yes.

Right Hon. Sir GEORGE E. FOSTER: Similar to other Bills? Are there any exceptions to the standardized plan? My honourable friend might point those out as we go through it, if there are any.

Hon. Mr. DANDURAND: No, except that there is no salary provided for the Commissioners.

Right Hon. Sir GEORGE E. FOSTER: That will be dealt with in good time.

Hon. Mr. BELAND: That will be acceptable?

Section 1 was agreed to.

Sections 2 and 3 were agreed to.

On section 4—Harbour limits defined:

Hon. Mr. REID: Would the honourable leader of the Government tell me exactly what that means?

Right Hon. Sir GEORGE E. FOSTER: Is there a map of the district there?

Hon. Mr. DANDURAND: Yes. The limits extend from the head of the tide, higher up than Chicoutimi, down to a point—

Hon. Mr. BELAND: Just below Ha-Ha Bay.

Hon. Mr. DANDURAND: Just below Ha-Ha Bay.

Hon. Mr. REID: That takes in the dredging work and all that is in the river?

Hon. Mr. DANDURAND: Yes, all the works there.

Hon. Mr. BELAND: All the river.

Hon. Mr. BEIQUE: It includes all the works.

Section 4 was agreed to.

Section 5 was agreed to.

On section 6—officers and employees:

Right Hon. Sir GEORGE E. FOSTER: There seem to be some salaries there. I thought it was a strange thing for the Bill to be going through without salaries.

Hon. Mr. DANDURAND: I said that there was only one modification of the standard Bill, namely, that there is no honorarium for the Harbour Commissioners. This provides for the payment of salaries to "the harbour master and such other officers, assistants, engineers, clerks and servants as it may consider necessary to carry out the objects and provisions of this Act." Well, that is also a standard clause.

Right Hon. Sir GEORGE E. FOSTER: Just one point there. I noticed, when the honourable leader was giving us a statement of the revenues, that they ran from $8,000 to $7,000, and that they ran downwards rather than upwards.

Hon. Mr. DANDURAND: They ran downwards, but came up again.

Right Hon. Sir GEORGE E. FOSTER: What is my honourable friend's opinion with reference to the resources, in the matter of business there, for the upkeep of the harbour—not only the salaries of employees, but the maintenance of the works and equipment as well? If we are going to give to this Commission privileges and facilities, we ought to have some idea that the proposition is based upon a sufficient amount of business to pay its way. What is the opinion of my honourable friend about that? We have heard a good deal about the millions to be spent down there, but I did not get an

idea of the particular kinds of business that were to be developed in that region.

The making of fertilizers was mentioned; but what do they propose to make fertilizers from? Are there beds of phosphates there, or are they going to make nitrogen from the air? What is the idea about that? It would be interesting if we knew the purpose of these expenditures, or what they would really contribute to the business which would flow into the harbour, with its docks and all its appurtenances. The project sounds well, if they get $100,000,000 or $200 000,000 expended there; but as regards the business that would come to the Harbour Commission, how is that going to eventuate?

Hon. Mr. BEIQUE: The aluminum company which is making that development is known to be one of the largest companies in the world. They commenced by purchasing the railway, for which they paid about a million dollars in cash.

Hon. Mr. DANDURAND: From what point to what point?

Hon. Mr. BEIQUE: It runs from Chicoutimi to Ha-Ha Bay, and covers 30 or 40 miles. They have purchased the railway, and paid cash for it; they have bought the wharf; they have paid about a million dollars in cash for those works; they have bought some 500 or 600 acres of land, and have made plans for the building of some 200 houses; they have built a railway of 15 miles; and there is no question that in two or three years they will create there a town with a population of from 40,000 to 50,000 people. It is one of the greatest developments that we can hope for or imagine.

Of course, all this will very much increase the traffic there. Actually the main traffic is that of the Price Company, which is some six miles from Chicoutimi. The Port Alfred mill, which is a sulphite pulp mill, now controlled by Sir Herbert Holt and several other men of very high standing, who are greatly increasing the operation of the mill. Besides that, there is the Chicoutimi pulp mill, which is the largest pulp mill in the world, its production being over 500 tons a day. These are the main industries, but with the aluminum industry there will be a very active centre that will, I have no doubt, produce very large revenues.

Hon. Mr. REID: If this Bill passes, will all the officials—Public Works, Marine, and others—be relieved of their positions, and no more expenditure made by the Government at Ha-Ha Bay or Chicoutimi or Port Alfred, or will there be officials at those points?

Hon. Sir GEORGE FOSTER.

Hon. Mr. DANDURAND: All the officials that are there will be under the Harbour Commission, except that instead of two harbour masters at those two ports there will be but one.

Hon. Mr. REID: You mean one for both?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. REID: But there will be one called harbour master at Chicoutimi, and there will be another at Ha-Ha Bay, who may not be called harbour master. I would also like to ask how much is expected to be spent to build the works that are to be undertaken by the Harbour Commission. There must have been an estimate made.

Hon. Mr. DANDURAND: There is no plan just now before the Government.

Hon. Mr. REID: Were not some plans or estimates made by the Government as to the work necessary to be done?

Hon. Mr. DANDURAND: No. The Government is facing the development that is going on, and this Harbour Commission will have to examine what are the needs of the near future.

Hon. Mr. REID: Is there any estimate at all of the amount of money they will expend within the next year?

Hon. Mr. DANDURAND: No, no project so far. There may be such in the minds of those parties who are interested in that large development; they may visualize what will be needed at the port of Chicoutimi or Port Alfred within the next five years; but they have not yet made public their project, plans or schemes for development.

Hon. Mr. BEIQUE: I do not think there is any expectation of any development within the next year. As I said, the wharf at Ha-Ha Bay is first-class, and able to accommodate two large vessels at the same time; it is 600 or 700 feet long, and as far as I am aware I do not think there is any immediate intention of incurring any expense.

Hon. Mr. REID: If there is no such intention, I would say that the creation of this Commission would certainly make a necessary increase in carrying on the harbour, anyway.

Hon. Mr. DANDURAND: Why?

Hon. Mr. REID: For this reason: as I understand, the leader of the Government has stated that all of the staff will be kept there, but under the Harbour Commission.

Hon. Mr. DANDURAND: But there is hardly any staff there.

Hon. Mr. REID: There must be, at both places.

Hon. Mr. DANDURAND: There is only the harbour master and wharfinger in each. There are four men who are paid out of the income.

Hon. Mr. REID: There must be a harbour master and staff appointed to carry on, which will be in addition to the present staff.

Hon. Mr. DANDURAND: No; there are four men just now who are supervising, two in each place, the wharfinger and the harbour master, and they are being paid 25 per cent of the dues collected.

Hon. Mr. REID: But according to this Bill there will be a new harbour master appointed, and his deputy, and his staff. Then there will be certain Commissioners who will receive salaries as such.

Hon. Mr. DANDURAND: No.

Hon. Mr. REID: If they do not, will they not have another harbour master, or are they going to use the present staff?

Hon. Mr. DANDURAND: They will appoint their own staff. They may take one of these harbour masters. The idea is that that port, being now one port, will have but one harbour master.

Hon. Mr. REID: What I cannot understand is this: if there is to be no development during the next year, and the staff are carrying on, there will be only a few dollars revenue; then why the necessity of urging the Bill on now?

Hon. Mr. DANDURAND: The Bill does not create any expenditure. It empowers the Board to proceed and develop whenever there is any necessity for it. Surely my honourable friend will not say: "Why do you not limit them to two men, and put that in the Act?" They may need ten men in five years, or they may need four in two years. That is a matter that is left to the common sense of the Board.

Hon. Mr. REID: I have no objection to that; but the point I raised was that if no development is going on, and yet you are going to appoint Commissioners, a harbour master, and all that, this would involve extra expense.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. REID: But even if there is not going to be any money expended this year, I think this matter should be kept under the control of the Government; and if any money is to be expended we shall know exactly what expenditures are being made, for we shall have to foot the bills in any case.

Hon. Mr. DANDURAND: My idea is that the country is getting simply an Advisory Board there, that will be under a special Act, that will know the developments that are called for, and will advise the Government.

Hon. Mr. DANIEL: Is this harbour open all the year round, or is it only a summer harbour?

Hon. Mr. BEIQUE: It is not open all the year round.

Section 6 was agreed to.

Sections 7, 8 and 9 were agreed to.

On section 10—expropriation of lands:

Hon. Mr. LYNCH-STAUNTON: I think it would be quite proper to make this section conform to section 8, which states that the corporation may, with the approval of the Governor in Council, acquire, expropriate, sell, lease or otherwise dispose of real estate and personal property. Now, for some reason that I do not follow, it appears necessary nearly to re-enact that provision in section 10. I think it should, as far as possible, conform to section 8, and I therefore move that we insert, in the fifth line of section 10, the words "with the approval of the Governor in Council',' so that it will read:

Whenever the Corporation desires to acquire any lands for any of the purposes of this Act, should the Corporation be unable to agree with the owner of such lands as to the price to be paid therefor, the Corporation shall have the right, with the approval of the Governor in Council, to acquire such lands, etc.

Hon. Mr. DANDURAND: I do not think there is any necessity for that addition, for I think section 10 is governed by section 8:

The Corporation may, with the approval of the Governor in Council, acquire, etc.

These powers are not restricted in section 10. It only proceeds to say that they may proceed by way of expropriation.

Hon. Mr. LYNCH-STAUNTON: If the honourable gentleman is of that opinion I will not press the motion.

Section 10 was agreed to.

Sections 11, 12 and 13 were agreed to.

On section 14—borrowing powers:

Hon. Mr. CALDER: I asked the question as to whether the Harbour Commissioners would be able to get and expend money without coming to Parliament, and if I understood the answer I got it was to the effect that they would not; that is, that they could not get money or spend money without coming to Parliament for authority.

Now, in reading section 14, it seems to me that that answer was scarcely correct, because here they are given borrowing powers, which are exercised on the approval of the

Government alone, and not on the approval of Parliament. If I remember, in the case of the Montreal and Victoria Harbours, and others, which we have repeatedly put through, in which the Commissions were authorized to raise certain moneys for certain work, the consent of Parliament was required; but here there is no such limitation. These Commissioners may borrow millions of dollars, if they like, merely with the approval of the Governor in Council, not that of Parliament. Why should we pass a special Bill authorizing the Quebec Harbour Commissioners to raise $5,000,000, and not put the same condition on this Commission?

Hon. Mr. BEIQUE: Because in those cases there was a guarantee by the Government of the country. As far as I am concerned, I think this Bill should confer on the proposed Commission no more powers than other Harbour Commissions have, but the same powers. This Commission should be treated as others are treated. I think that all Harbour Commissioners have the powers stated in section 14. Under the authority of the Governor in Council they have power to borrow money, but not to engage the responsibility of the Government. The Harbour Commission of Quebec has two classes of security: there are bonds which are selling much below par value because they do not carry the responsibility of the Government, and there are other bonds, issued by virtue of the legislation of last year, which are first class security.

Hon. Mr. CALDER: It seems to me that there is a danger in legislation of this kind which gives a Harbour Commission power to borrow any sums of money it may choose for harbour development, merely with the sanction of the Governor in Council and without reference to Parliament. Even though that provision may be in other similar laws, I say it is very dangerous.

Hon. Mr. DANDURAND: If my honourable friend cares to look at my statement, I think he will find that I made a distinction between the borrowing with a guarantee and the borrowing without a guarantee. All the Harbour Commissions that have been established have had the power of borrowing provided they obtained the consent of the Governor in Council. They can borrow practically to the extent of their credit. Of course, another factor enters there, namely, the lender; and the lender will take very good care to lend his money to a solvent institution. I suppose the Montreal Harbour Commission could borrow without a Federal guarantee, but it would have to pay a somewhat higher rate of interest. That power has been utilized by some Harbour Commissions.

Hon. Mr. CALDER: But to a very small extent.

Hon. Mr. DANDURAND: To a small extent. If they want a first-class bond, they will come to Parliament.

Hon. Mr. REID: The reason I raised the question was because the clause as it reads gives the impression that the Government are not responsible for the bonds. The Harbour Commissioners raise the money on the bonds, and it is only the Harbour Commission that would be responsible.

I remember a case—I think it was the St. John dry dock Bill in which there was a clause exactly like this, and some person from my county came to me and said that the person selling the bonds said they carried the guarantee of the Government. Of course, I was quite satisfied that they did not. However, I asked the Deputy Minister of Public Works if the statement as advertised in the papers was correct. I said: "Can they advertise in that way?" and he said that the bonds did not carry the guarantee of the Government, but that as an Order in Council gave them authority to issue bonds, it really meant the same thing. I inquired from able lawyers in regard to it, and they all agreed that the bonds carried the Government guarantee. The result was that people believed they got a Government guaranteed bond. In this case, while Parliament is not guaranteeing the bonds, it is putting in the hands of the Governor in Council the power to pass an Order in Council which, so far as the public is concerned, is really a guarantee of the bonds. If this is the same clause that was in the St. John Dry Dock Bill, I am satisfied that the Department of Justice would give a certificate to this House stating that the Government, and virtually Parliament, guarantees the bond.

Hon. Mr. BELAND: Not Parliament.

Hon. Mr. REID: Yes. Under this Bill Parliament gives the Governor in Council authority to do certain things; so Parliament is delegating certain powers, and therefore is really responsible.

Hon. Mr. BEIQUE: I have a case which is in point. Quebec issued bonds years ago with the approval of the Governor in Council, as in this case, and those bonds are selling at 72 or 73 per cent of their face value. They are depreciated bonds, because the revenues of the Harbour are not sufficient to guarantee their payment. Bonds of that

kind may be issued in two ways: they may be issued as income bonds, guaranteed by the receipts of the Harbour, or they may be issued otherwise. We are creating a corporation which is under the control of the Government, and being under the control of the Government it is provided that it may issue bonds; but, before borrowing, the Commission has to have the approval of the Government. The municipalities in the province of Quebec, and I think in other Provinces as well, sometimes have to obtain the authorization of the Government in order to borrow; but that does not involve the responsibility of the Province.

Why is the honourable gentleman so anxious to differentiate between this corporation and others? I repeat that I have neither any connection with this enterprise nor one cent of interest in it. Why should we differentiate between this corporation and the Harbour Commission of the City of Toronto or any other place?

Hon. Mr. REID: I do not think we are. The honourable gentleman has said that the bonds of the Harbour Commission of Quebec are sold at 72 because they do not carry the guarantee of the Government. I am not surprised at that. But I would ask: has there ever been a default of those bonds? I do not think so, although they have earned only a very small amount—not enough to pay the interest. Will the honourable gentleman deny that?

Hon. Mr. BEIQUE: I do not know.

Hon. Mr. REID: The honourable gentleman never heard of the interest not being paid, and I will tell him why. When we vote a certain amount of money for the Quebec Harbour, sufficient is taken out of that vote to pay the interest, so we are really paying; but because there is no guarantee the bonds are sold for less.

Let me give another instance. We own the Canadian National Railways. Bonds of the Grand Trunk Pacific Railway guaranteed by the Grand Trunk Railway are not sold for as much as those guaranteed directly by the Government; nevertheless the Government is really responsible for them.

The point I raise is that the public should understand, because when these bonds are issued we will see the same advertisements that have appeared before, stating that the Government are really guaranteeing the bonds and giving the Harbour Commissioners power to issue as many as they like. I do not think the people should be deceived.

Section 14 was agreed to.

On section 13 (reconsidered):

Hon. Mr. DANIEL: Is it not somewhat unusual to put the Collector of Customs under the control of the Harbour Commissioners, and for the Harbour Commissioners to have power to compel him to collect dues for them? I understand that it is his duty to collect dues owing to the Government, but not dues owing to the Harbour Commissioners.

Hon. Mr. DANDURAND: I am informed that this is the customary clause. It operates, but not arbitrarily. The Department asks the Department of Customs to allow the collector to do this work. It is by arrangement between the two Departments.

Section 13 was agreed to.

Sections 15 to 24, both inclusive, were agreed to.

The preamble and the title were agreed to.

The Bill was reported, without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

PUBLIC LOAN BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 172, an Act to authorize the raising, by way of loan, of certain sums of money for the Public Service.

He said: Honourable gentlemen, the Bill for borrowing powers now before Parliament is for a sum not exceeding $150,000,000. The purposes of these borrowing powers are set forth in the same wording as was used in our last borrowing powers Act, namely:

For paying or redeeming or otherwise retiring the whole or any portion of loans or obligations of Canada and for public works or general purposes. (Vide Chapter 16 of the Acts of 1925).

We have loans maturing during the present year and the year 1927 amounting to $143,505,650 as follows:

Maturities—			
Oct. 1, 1926	$35,000,000		Canada and New York
Nov. 15, 1926	8,000,000		Canada and New York
		$43,000,000	
Dec. 1, 1927	63,437,250		Canada
Nov. 1, 1927	29,068,400		Canada
Nov. 15, 1927	8,000,000		Canada and New York
		100,505,650	
		$143,505,650	

In 1928 there is a further amount maturing —$53,000,000. We are asking, in round figures, for $150,000,000 to cover the loans maturing in 1926 and 1927. It is not anticipated that any portion of these borrowing powers will be required for other purposes unless when the time comes for issuing the refunding bonds, the market rate would be sufficiently unfavourable to warrant the utilization temporarily of our then cash resources for redemption purposes. It may be that under such circumstances we would require to borrow to that extent moneys to recoup the Treasury to meet our heavy half-yearly interest payments.

There is no departure in the wording of our present Bill from the wording of the previous borrowing Bill.

Hon. Mr. GORDON: Am I to understand that only $43,000,000 will mature in 1926?

Hon. Mr. DANDURAND: Yes, $43,000,000.

Hon. Mr. GORDON: What is the reason for asking for power to raise the rest, over $100,000,000, which will not be maturing, I hope, until after Parliament meets again?

Hon. Mr. DANDURAND: It is an empowering Act, that is all.

Hon. Mr. GORDON: But it appears to me that in any case the Minister of Finance will not raise this $150,000,000 before Parliament meets next year.

Hon. Mr. DANDURAND: He will not borrow except, if the market is at all favourable, to meet those maturities when they do take place.

Hon. Mr. GORDON: But did the honourable gentleman not say that only $43,000,000 of those loans matured in 1926?

Hon. Mr. DANDURAND: Yes, there are $43,000,000 maturing this autumn and $100,505,000 in the autumn of 1927.

Hon. Mr. DANIEL: It is all for refunding purposes, is it not?

Hon. Mr. DANDURAND: The Bill does not say so. It is in these terms:

> The Governor in Council may, in addition to the sums now remaining unborowed and negotiable of the loans authorized by Parliament by any Act heretofore passed, raise by way of loan, under the provisions of the Consolidated Revenue and Audit Act, by the issue and sale or pledge of securities of Canada, in such form, for such separate sums, at such rate of interest and upon such other terms and conditions as the Governor in Council may approve, such sum or sums of money as may be required, not to exceed in the whole the sum of One hundred and fifty million dollars, for paying or redeeming or otherwise retiring the whole or any portion of loans or obligations of Canada and for public works and general purposes.

Hon. Mr. DANIEL: What public works is it intended to build out of those funds?

Hon. Mr. DANDURAND: There are no public works for which this sum would be earmarked. This is a general authorization to borrow. There are already borrowing powers which are not exhausted. I could give the figures regarding those. This is a supplementary sum of $150,000,000 which the Department of Finance is to be authorized to borrow; but my honourable friend must not forget that, though the section mentions public works and general purposes the money can be expended only for those purposes which have been sanctioned by Parliament. The borrowing powers—I stand to be corrected by the ex-Minister of Finance (Right Hon. Sir George E. Foster)—the borrowing powers are utilized only in conformity with the will of Parliament.

Hon. Mr. MACDONELL: Is there any advantage in going to New York for the money instead of to London?

Hon. Mr. DANDURAND: I could not easily answer the question. It is all a matter of the rate of interest. Sometimes it is desirable—it has been lately—to go to New York. I understood some few months ago that for a considerable time to come we should apply to New York rather than to London. But it is all a question of the rate at which we can place the loan to the best advantage of the country.

Hon. Mr. GILLIS: What about domestic loans? It appears that the Canadian people have responded to every appeal for money; and when we borrow money from our own people, of course, we keep the interest within our own country. The loans that have been raised in Canada during a number of years past have been responded to very freely and have been very successful, and I imagine that another application would receive a similar response.

Hon. Mr. DANDURAND: But I suppose that my honourable friend, if he were Minister of Finance, would not disdain an advantage of one per cent that might be obtained at New York, over what could be had at our own financial centres.

Hon. Mr. GILLIS: That is not definite, though.

Hon. Mr. SCHAFFNER: Is it the intention of the Government to borrow this money in the near future?

Hon. Mr. DANDURAND: Whenever it is needed.

Hon. Mr. SCHAFFNER: Not until it is needed?

Hon. Mr. DANDURAND: Oh, not until it is needed.

Hon. Mr. SCHAFFNER: It seems that only about $43,000,000 will be required during 1926, and over $100,000,000 will not be needed until the autumn of 1927.

Hon. Mr. DANDURAND: My honourable friend should have noticed the statement I made, that even when it is needed it may not be borrowed; because if it is felt that the rate at the moment is too high and may so remain for a few months, then the Government arranges to finance otherwise—

Right Hon. Sir GEORGE E. FOSTER: Temporarily.

Hon. Mr. DANDURAND: —and awaits a favourable moment, when the market is in a better condition for the borrower.

Hon. Mr. SCHAFFNER: I wanted just to be sure that we were not placing too much temptation in the way of the Government.

Hon. Mr. DANDURAND: If my honourable friend is a member of the next Government—and I hope he will live long enough to enter the next Government, for it may come some time—we never know—he will find that the Department of Finance is wide-awake to the advantage of saving—of making a reputation for itself, if you will. I have found that men in office give of their best according to their lights. They do so because it is their natural desire and it is in their own interest, to do so. Whenever the Minister of Finance, whoever he may be, can announce that he has made a good bargain—that he has raised a loan of $50,000,000 or $100,000,000 at an exceptionally favourable rate, he feels quite pleased with himself. It is the instinct of all human beings to shine as much as possible and to show their quality.

Hon. Mr. SCHAFFNER: That is right.

Hon. Mr. STANFIELD: I am asking for information. Have the Government power to call in any of these bonds before the due date? The reason I ask is that in corporation bonds there is always a clause inserted to provide that the bonds may be called in at a certain rate.

Hon. Mr. DANDURAND: I do not think that has ever been the practice of the Federal Government.

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

THIRD READING

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

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

OPIUM AND NARCOTIC DRUG BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 152, an Act to amend the Opium and Narcotic Drug Act, 1923.

He said: Honourable gentlemen, there was a slight error made when the last amendment to the Opium and Narcotic Drug Act was passed, in 1923, and the error affects section 5 of that amendment. Section 5 as it stood prior to 1923 made no distinction between licensed persons and others dealing in narcotics. The amendments of that year made it necessary to divide the section. The first part dealt with wholesalers, and the second part with the retail druggist, and it simply required an order or prescription in all cases. When section 5 was so divided the words "other than any such physician, veterinary surgeon, dentist or druggist" should have been dropped from the second part. As they were not, they allowed the druggist to supply narcotics to a physician, veterinary surgeon, dentist or druggist who had not given a prescription. The prescription or written order was required that it might be entered in the register. It has been discovered that someone found the loophole and without a certificate obtained narcotics from a druggist, disposing of them without leaving any trace of the quantity he had purchased. It is suggested that this error be corrected and that those words be struck out of section 5, so that such persons shall be obliged, as formerly, to give a prescription to the druggist when they purchase from him. It was simply through a clerical error that those words were left in the Act.

Hon. Mr. WILLOUGHBY: How will it read now?

Hon. Mr. DANDURAND: I think my honourable friend has a copy of the Bill before him.

Hon. Mr. WILLOUGHBY: Yes.

Hon. Mr. DANDURAND (reading):

Every person licensed under this Act to deal in any drug, who gives, sells or furnishes any drug to any person, other than a duly authorized and practising physician, veterinary surgeon or dentist, or to a bona fide wholesale druggist, or to a druggist carrying on a business in a bona fide drug store, or who gives, sells or furnishes any drug to any such physician, veterinary surgeon, dentist or druggist, without a written order therefor, signed and dated; and any druggist who

gives, sells or furnishes any drug to any person, except upon a written order or prescription signed and dated by a duly authorized and practising physician, veterinary surgeon or dentist whose signature is known to the said druggist or if unknown duly verified before such order or prescription is filled, or who uses any prescription to sell any drug on more than one occasion, except where the preparation covered by the prescription might lawfully have been sold in the first instance without a written order or prescription, under the provisions of section nine of this Act, shall be guilty of a criminal offence, and shall be liable upon summary conviction to a fine not exceeding one thousand dollars and costs and not less than two hundred dollars and costs, or to imprisonment for a term not exceeding eighteen months, or to both fine and imprisonment.

Hon. Mr. SCHAFFNER: Do I understand it has been lawful to refill a prescription? It says here that it shall be unlawful to refill a narcotic prescription. By this are we making it unlawful to refill?

Hon. Mr. DANDURAND: No, This is the Act as it stood. I am not amending that part; I am only striking out those words which appear in the explanatory note on the page to the right:

—other than any such physician, veterinary surgeon, dentist or druggist.

Hon. Mr. SCHAFFNER: Then it has already been unlawful?

Hon. Mr. DANDURAND: It is unlawful without a written order or prescription of a physician.

Hon. Mr. DANIEL: Does this legislation mean that the physician, veterinary surgeon or dentist must himself obtain an order of a druggist before he can get a narcotic?

Hon. Mr. DANDURAND: No; they must themselves give the order; they must themselves sign an order; that is, they must give themselves, for themselves, a certificate.

Hon. Mr. DANIEL: They do not require an order from another physician?

Hon. Mr. DANDURAND: No.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Gordon in the Chair.

Section 1 was agreed to.

On section 2—persons who may manufacture without license, or have drugs in their possession:

Hon. Mr. DANDURAND: 2, 3, 4, 5 and 6. These amendments (to sections 7, 9, 24, 25 and 26 of the Act) are made necessary by the fact that paragraph (d) of section 4 has been subdivided by chapter twenty of the statutes of 1925, into two different paragraphs, namely, (d) and (f).

Section 2 was agreed to.

Sections 3, 4 and 5 were agreed to.

On section 6—Identification of Criminals Act to apply to summary conviction, manufacturing without a license and unlawful possession:

Hon. Mr. DANIEL: What does that clause mean? In what way would the Identification of Criminals Act apply?

Hon. Mr. DANDURAND: There seems to be a very slight change. Apparently simply the word "or" is displaced. I have not the Act before me. Mr. Cowan has left with it.

Section 6 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

WEST INDIES TRADE AGREEMENT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 15, an Act respecting trade relations with British West Indies, Bermuda, British Guiana, and British Honduras.

He said. Honourable gentlemen all know the efforts that have been made from year to year for closer trade relations with the West Indies, the coming of an important trade delegation last winter from the West Indies, and the making of a Treaty which seems to have given considerable satisfaction to the people of the various colonies of the West Indies as well as to Canada. It is one of those commercial arrangements which present no very great difficulty, and will meet with less resistance than some treaties that I have had the honour to present to this Chamber. In most of the treaties that have come before us there were exchanges of goods and advantages given to the country with which we were dealing, which seemed to a certain extent to bring competition in certain lines to our own manufacturers, sometimes to a small degree; but I know that the complaint was often made that in our treaties we were lowering the tariff in some directions, whether appreciably or not.

In this instance we are making a Treaty with countries that do not produce our goods, and whose goods are not produced in our own country, so that it is a most agreeable arrangement. The trade with which this Treaty is concerned has gone on increasing, yet we are doing but a small share of the business which the West Indies are carrying on with the outside world. We hope to double and treble, within some years, our exports to that country.

If you will allow me, I will put on Hansard the advantages which will accrue to Canada by this new British West Indies Trade Agreement. The only difficulty, which is of some importance, is as to the carrying out of the obligation to procure ocean transportation. We have obligated ourselves, as we did by the arrangement of 1920, to furnish a certain amount of steamship facilities. The Government could not see its way to furnishing up to 100 per cent, or perhaps up to 90 per cent, what it had obligated itself to do in the way of ocean transportation. We have 15 months in which to comply with the obligations which Canada has assumed in that line. There have been tenders received for the service which we obligated ourselves to establish, but they have been deemed too high and quite unsatisfactory. On the other hand, through the fact that there will be greater buoyancy in our exchanges two or three companies have expressed a desire to enter that trade, and within the next 12 months there may appear such advantages that would accrue to the company that would furnish services called for by this Bill, that we may obtain a more satisfactory tender. At present we simply stand with the hope that the market will develop there, and that the importations from the West Indies will increase to such a point that they will enable us to negotiate under better conditions with steamship companies in order to carry out our obligations under that Treaty.

Hon. Mr. DANIEL: Is this Treaty in force now?

Hon. Mr. DANDURAND: No; it will come into force by proclamation of the Governor General, under Article XIX:

In respect to Canada this agreement shall be subject to the approval of its parliament and in respect to each of the said Colonies to the approval of their respective legislatures and of the Secretary of State for the Colonies.

Upon approval being given by each of said Colonies respectively the agreement shall be brought into force thereupon or so soon thereafter as may be agreed upon between the Dominion of Canada and any Colony by proclamation to be published in the Canada Gazette and in the Official Gazette of each of the said Colonies.

On the present agreement being brought into effect it shall take the place of and be substituted in all respects for the trade agreement dated the eighteenth day of June, nineteen hundred and twenty, between the Dominion of Canada and the Colonies aforesaid.

Honourable gentlemen know that a number of business men in the country in addition to public authorities, have interested themselves in the making of this Treaty. There was an association called the Canadian-West Indian League, which was presided over by Mr. T. B. Macauley. That organization was most arduous in its labours to bring about this arrangement, and I may add that Mr. Macauley devoted considerable time to the project, and went once a year to the West Indies simply to try to promote better commercial relations between the West Indies and Canada. Our public men have never failed in their efforts. I think the one who initiated this movement was the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster), and I think his first trip was in 1890. I am sure that he must be happy to see that the Government of Canada has not laboured in vain.

I only hope that before the 15 months expire we will be in a position to give satisfaction to the West Indies in procuring for them transportation facilities, with their financial co-operation as set out in the Agreement.

With these few remarks I move the second reading of this Bill.

Hon. W. B. ROSS: Honourable gentlemen, I suppose we will have to let this Bill pass. It has passed the other House, and the Government is committed to this Treaty. So far as I know anything about the Treaty, and the way in which it has been received in our section of the country, that part of it which refers to what is called the Western Group is the part of the Treaty that is regarded as the most improvident, and the one which we think most likely to incur the largest expenditure with the least return.

The idea that we can build costly steamships simply to carry bananas from Jamaica to Canada is a rather visionary business proposition, I think. I hope that the Government will be careful about the expenditure they indulge in, because several million dollars will have to be put up by a company to build steamers of the class that will be required to carry the trade, and also to be fitted up as passenger steamers.

With regard to the other part of the Treaty, that relates to Barbadoes, Trinidad and British Guiana, I know fairly well that part of the country, having spent some weeks in nearly all those islands. They are small; there is not much room for great develop-

ment there; they are not like the islands of Porto Rico and Cuba, that had tremendous sections of undeveloped country when Porto Rico was taken over by the United States, and Cuba was put under the tutelage of that country. Our islands have not a background for great development such as Porto Rico and Cuba had, besides having free access to the markets of the United States.

Another thing in which I am afraid we are going to be somewhat disappointed is the volume of trade, although the honourable gentleman expressed a very optimistic hope that our exports to those countries would be two or three times as much as they are now. We have to meet goods from Great Britain, that go into these islands under a favourable tariff, just as ours do, and I do not know that we are going to capture very much of the trade in manufactured goods, for the competition will be pretty severe, and drive us fairly well out of that market. Of course, there are certain of our natural products that will go there.

There has been a good deal of criticism of the Treaty in Nova Scotia, and I think some in New Brunswick, and I believe representations have been sent here. Those are all a matter of record, and I do not think it is necessary for me to go over all that ground, because, after all, I do not see that we will be justified in interfering with this Treaty; so we will let it pass.

I hope that some of the people who are pessimistic about it may be disappointed, and that the honourable gentleman's expectations may be fulfilled, though I have serious doubt of it.

Hon. Mr. DANIEL: I understand the offer of the Royal Mail Steam Packet Company, which has been carrying on business between Canada and the West Indies, was not accepted, as it was considered too high. I presume that was one of the tenders referred to by the honourable leader. But I observe that they have stated that they will put on a monthly trade service without any subsidy whatever. Has the Minister any special information with regard to what can be done by Canada towards carrying out her obligations under the Treaty in so far as sea communication is concerned? We are required to furnish a fortnightly passenger and mail and freight service—I suppose that is package freight—and in addition a monthly freight service. I saw some reference to one or more of our own Government Marine vessels undertaking it, and I also saw some reports in the Press that that service would not be regarded as satisfactory by the West Indies parties to the Treaty. Can the Minister tell us whether it is the intention to put on our Government Marine vessels?

Hon. Mr. DANDURAND: I cannot give my honourable friend any information on that point, but I may tell him that lately one group in the East and another on the Pacific coast expressed a desire to enter the lists. They first wanted to be sure that the Treaty would go into force, and one of the parties that approached the Minister of Finance said that they were trying to arrange to give a service without any subsidy, that they did not want to be entangled by any conditions. Of course, then they would give a service that suited themselves. With the awakening interest of the shipping community in that trade, there may develop within a few months conditions which will permit of the Minister of Finance to discuss with some company the opportunity of monopolizing that trade if the company is ready to come up to the proper level of service under a subsidy. The amount of the subsidy is a matter which is left entirely in the hands of the Government just now; but they will try to see that it is not so heavy as to entail the risk of its not being approved by Parliament—that there is no money voted except the usual sum voted in years past.

Hon. Mr. DANIEL: I suppose the Minister is not prepared to state what the tender of the Royal Mail Steam Packet Company is?

Hon. Mr. DANDURAND: I cannot even say that there was one. I saw the statement that there were tenders, but from whom they come I do not know.

In order to indicate the development of this trade, I will give a few figures as to exports and imports. Our imports in 1913 amounted to $9,864,017; in 1921, to $24,130,552; in 1925, to $25,016,182. Our exports in 1913 amounted to $4,967,312; in 1921, to $18,187,118; in 1925 there was a slight falling off, and they amounted to $15,432,455.

Hon. Mr. SCHAFFNER: What were our chief exports?

Hon. Mr. DANDURAND: Flour, meats, lard and substitutes, butter, cheese, condensed milk.

Hon. Mr. BEIQUE: How is it that there was a decrease?

Hon. Mr. DANDURAND: I cannot say. There was a decrease between 1921 and 1925, but I could not say in what year it occurred. It is hoped, inasmuch as the total

imports of those colonies are over $90,000,000, that under the favourable conditions offered by these Treaties, we may export considerably more. We have, as I said, 15 months to implement our obligation as to ocean facilities, and it is hoped that within a few months the shipping interests will be tempted to accept a reasonable subsidy for a better service than we have had heretofore.

Hon. Mr. BEIQUE: May I ask if this agreement can go into operation with any of the islands individually, or only with all of them?

Hon. W. B. ROSS: There are two groups.

Hon. Mr. DANDURAND: All their legislatures have approved, so we are the last to act.

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

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

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

THE SENATE

Friday, June 11, 1926.

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

Prayers and routine proceedings.

CANADA EVIDENCE BILL (EVIDENCE OF PERSONS CHARGED WITH OFFENCES)

THIRD READING

Bill I3, an Act to amend the Canada Evidence Act.—Hon. Mr. McMeans.

CANADA GRAIN BILL

FIRST READING

Bill 8, an Act to amend the Canada Grain Act.—Hon. Mr. Willoughby.

INCOME WAR TAX BILL

FIRST READING

Bill 116, an Act to amend the Income War Tax Act, 1917.—Hon. Mr. Dandurand.

EXCISE BILL

FIRST READING

Bill 188, an Act to amend the Excise Act. —Hon. Mr. Dandurand.

14015—15½

IMMIGRATION INTO CANADA

INQUIRY

Hon. Mr. GILLIS inquired of the Government:

1. What was the total amount spent by the Government on immigration work during the years 1923, 1924 and 1925? In what countries was the work carried on?

2. As a result, what was the total number of immigrants brought to Canada during the said years, separate entirely from the colonization schemes carried on by the Canadian Pacific Railway Company and the Canadian National Railways?

3. Did the Government give any monetary, or other assistance, to said Railways for their colonization work during the said years?

Hon. Mr. DANDURAND:

1. (*a*) Fiscal year 1923-24..$2,823,809 81
" " 1924-25.. 2,654,509 89
" " 1925-26.. 2,452,945 19

Total.....$7,931,264 89*

*Of the total of $7,931,264.89, $3,390,377.35 was expended on propaganda and inspectional work in the British Isles and the United States and on the Continent of Europe. Included in the balance is the cost of inspectional work at the Canadian ocean ports and International boundary ports, as well as investigational work in Canada, deportations, general printing and advertising and the salaries, etc., of the Head Office.

(*b*) Canada, the United States, the British Isles and the Continent of Europe.

2. 1923-24.. 148,560
1924-25.. 111,362
1925-26.. 96,064

It is impossible to show separately the number of immigrants brought to Canada under the Colonization Scheme of the Canadian National Railways and the Canadian Pacific Railway.

3. No.

CUSTOMS CRUISER MARGARET

MOTION FOR RETURN

Hon. Mr. TANNER moved:

That an order of the House do issue for a return in respect to the cruiser Margaret, employed in the service of the Department of Customs and Excise, showing for each month respectively of the period since January 1, 1925,—

(*a*) The sea district which said cruiser patrolled?

(*b*) The ports which she entered, and the time she remained in each port?

(*c*) The number of seizures made, and generally what each seizure consisted of?

(*d*) The locality in which each seizure was made, and the name of the vessel carrying the goods seized, and the port of registry of such vessel?

(*e*) How the matter of each seizure was disposed of—this to state what was done in regard to vessel and goods, respectively?

(*f*) The cost of the said cruiser to the country during each of the said months?

The motion was agreed to.

SENATE REFORM

INQUIRY

On the Orders of the Day:

Hon. Mr. McMEANS: Honourable gentlemen, I would like to ask the Leader of the Government if he can give us any information as to what steps, if any, have been taken towards calling a convention of the Provincial Premiers looking to the reform of this body, about which we heard so much during the last election campaign.

Hon. Mr. BEIQUE: May I also be allowed to ask if this House is anxious to be reformed?

Hon. Mr. DANDURAND: Of course, we would have to open a debate to know to what extent the House is anxious to be reformed.

As to the question of my honourable friend from Manitoba (Hon. Mr. McMeans), I will bring it to the attention of the Government, and at the same time will suggest that the opinions of the Provincial Prime Ministers be secured as to the desirabiltiy of reforming the House of Commons.

PRIVATE BILLS

SECOND READINGS

Bill 113, an Act respecting the Bronson Company.—Hon. Mr. Belcourt.

Bill 112, an Act respecting certain patents owned by the Sealright Company, Incorporated.—Hon. Sir Edward Kemp.

RAILWAY BELT WATER BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 171, an Act to amend the Railway Belt Water Act.

He said: Honourable gentlemen, the objects of the Bill are briefly as follows:

To make applicable to the Railway Belt of British Columbia the Water Acts at present in force in the rest of the province in the same way in which The Railway Belt Water Act, 1913, made the Provincial Water Acts then in force applicable to the Railway Belt. Those earlier Acts made applicable by the Act of 1913 having been repealed by the coming into force of the Revised Statutes of British Columbia, 1924, the province is at the present time without legislative authority to administer the waters of the Railway Belt.

To enable the Governor in Council to make new or amending Water Acts passed by the provincial Legislature applicable to the Railway Belt by Order in Council. A similar provision is contained in the Act of 1913, but the amending Bill proposes that such Orders in Council are to be deemed to take effect from the coming into operation of the Provincial Act to which they relate, so that each of such Acts may be held to have been in force in the Railway Belt on the same date as that on which it came into force in the rest of the province.

To validate all water rights granted by the province in the Railway Belt since 1913, as to which doubts arise owing to possible lack of jurisdiction on the part of the provincial officers, by reason of the Water Act under which the right was granted not having been made applicable by Order in Council at the time the grant was made.

To provide for such control of the administrative policy of the province by the Minister of the Interior as will enable him to ensure that these Dominion waters are to be used in such a way as to benefit to the fullest extent possible the Dominion lands and settlers in the Railway Belt.

The Bill is somewhat technical, and if the members from British Columbia are au fait of the situation, I will move the second reading.

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

CONSIDERED IN COMMITTEE, AND REPORTED

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

Hon. Mr. Robinson in the Chair.

Hon. Mr. DANDURAND: I hope that the British Columbia members will help me in carrying through this Bill. If there is any clause which calls for special knowledge, I will move to postpone the Committee stage to another day.

Sections 1 to 5, inclusive, were agreed to, and the Bill was reported, without amendment.

Right Hon. Sir GEORGE E. FOSTER: I hope my honourable friend is satisfied with the support he has got.

Hon. Mr. DANDURAND: The Bill is very technical; apparently, however, all the members of the Senate know what it means as well as I do.

CANADA EVIDENCE BILL (BANK BOOKS AND RECORDS)

FIRST READING

Bill X6, an Act to amend the Canada Evidence Act.—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND, by leave of the Senate, moved the second reading of the Bill. He said:

This Bill is substantially the English Bankers' Books Evidence Act of 1879, and the purpose is to make the administration of justice more convenient both for crown attorneys and for the banks.

It will be observed that opportunity is given, on the application of any party to a legal proceeding, to have inspection of the original books or records of a bank, should there be any reason for making such inspection. In the great majority of cases, however, a copy of any entry in a banker's books, duly authenicated, will be received in evidence.

Mr. Eric Armour, K.C., Crown Attorney for the City of Toronto, originated the demand for this legislation, and has been urging its enactment for two years past.

Honourable gentlemen may be reminded that it means that it will be sufficient for an official of the bank to bring to the court simply copies of entries from ledgers and other books of the bank. The Bill is not printed, but it is very short. I would briefly explain that its object is to obviate the necessity, under the law as it now stands, of bringing bankers to the courts with books of the bank which are needed every day for the regular business of the bank. As I have said, this enactment would be substantially the English Bankers' Books Evidence Act of 1879, so that Great Britain has been ahead of us for the last fifty years. Through experience gradually gathered in the administration of court procedure, it has been deemed desirable to embody this legislation in our own Act. I give this explanation in order that when we take up the Bill in Committee the members of the Senate may be familiar with its objects.

I move the second reading of the Bill, but if any honourable gentleman wishes to express an opinion on the second reading he may move to adjourn the debate.

Hon. W. B. ROSS: I think it will be better for the Bill to go to Committee. When in Committee I will have an amendment to move, but not an important one.

Hon. Mr. DANDURAND: Then we will take the second reading now, and put it down for Committee next week.

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

SITTINGS OF THE SENATE

Hon. Mr. DANDURAND: I move that when the Senate adjourns this afternoon it do stand adjourned until Monday next at 8 o'clock in the evening.

I propose that the following procedure be carried through on Monday evening. There will be very little on the Order Paper that evening, and we could just do justice to the business, and then suspend the sitting until ten o'clock, meantime permitting the Banking and Commerce Committee to meet. I say ten o'clock, because there may be some legislation coming from the Commons, and we may be able to advance it.

Of course, this is not added to my motion, which is simply that when we adjourn we stand adjourned until Monday evening at 8 o'clock.

The motion was agreed to.

AUTOMOBILES IN PARLIAMENTARY GROUNDS

INQUIRY

Hon. Mr. GORDON: With the leave of the House I would like to ask the honourable leader what was the result of his investigation regarding the speed limit of automobiles within the Parliamentary grounds.

Hon. Mr. DANDURAND: I may say I sat in the Banking and Commerce Committee to-day until about 1 o'clock, then rushed to Council to find out if prompt orders could be given to control the movement of motor cars inside these grounds, but I found that Council had dispersed. However, I met the Minister of Finance, and enlisted his support; and as soon as this House adjourns I propose to cross over to see the Minister of Public Works and the Minister of Justice, because I am under the impression that they may have dual control, to see if they can arrange to put policemen at these gates. We have regular police to maintain order on the grounds of Parliament, and it should be very easy to give a direction that two of them be located at those gates.

Hon. Mr. GORDON: But there are three gates.

Hon. Mr. DANDURAND: Well, at the three gates.

Hon. Mr. GORDON: I know that my honourable friend is always very busy, and I do not wish to give him trouble in this matter, but I would like him to pursue whoever has authority to make these regulations, and to continue to do so until something is accomplished.

Hon. Mr. DANDURAND: I hope to have some information for my honourable friend on Tuesday, or perhaps on Monday evening.

The Senate adjourned until Monday, June 14, at 8 p.m.

THE SENATE

Monday, June 14, 1926.

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

Prayers and routine proceedings.

ALLIED INDIAN TRIBES OF BRITISH COLUMBIA

PETITION

On the reading of the Petition of Peter R. Kelly, the Chairman of the Executive Committee of Allied Indian Tribes of British Columbia:

Hon. H. PLANTA: Honourable gentlemen, as I have presented this Petition, I should like to move that in view of its very great importance the Petition be printed in Hansard.

Hon. Mr. DANDURAND: I do not see any particular objection to acceding to the wish of my honourable friend, although it is an unusual procedure. I understand it has been followed in this case in the other Chamber. Perhaps the honourable gentleman might state what is the end in view.

Hon. Mr. PLANTA: The aim, honourable gentlemen, is to put an end to the controversy, which is of very long standing, between the Indian Tribes of British Columbia and the Government of British Columbia and the Federal Government. It is a matter of very great importance, and for that reason I would like to have the Petition printed in Hansard, so that members may read it.

Hon. W. B. ROSS: Do I understand that it is printed in Hansard of the other House?

Hon. Mr. PLANTA: Yes.

Hon. Mr. ROSS: Then why should we print it? We can get copies of Hansard from the other Chamber. It seems to be rather wasteful to print it again.

Hon. Mr. PLANTA: No, it is not already printed.

Hon. Mr. ROSS: Is it not printed in Hansard of the Commons?

Hon. Mr. PLANTA: Not at present. It is going to be.

Hon. Mr. ROSS: I thought the honourable gentleman said that it was.

Hon. Mr. PLANTA: It is to be.

Hon. Mr. DANDURAND: It will be printed concurrently.

Hon. Mr. ROSS: But why in both?

Hon. Mr. DANDURAND: The honourable gentleman might explain why he wants to bring it directly to the attention of honourable members of the Senate.

Hon. Mr. PLANTA: I take it that that is the best method of doing so, honourable gentlemen. Members of the Senate pay more attention to matters appearing in the Senate Hansard, I take it, than they do to those in Hansard of another place.

The motion was agreed to.

To the Honourable the Senate of Canada
in Parliament Assembled.

The Petition of the Allied Indian Tribes of British Columbia humbly showeth as follows:

1. This Petition is presented on behalf of the Allied Indian Tribes of British Columbia by Peter R. Kelly, Chairman duly authorized by resolution unanimously adopted by the Executive Committee of allied Tribes on 19th December 1925.

2. When British Columbia entered Confederation Section 109 of the British North America Act was made applicable to all public lands with certain specific exceptions. By virtue of the application of this Section it was enacted that public lands belonging to the Colony of British Columbia should belong to the new Province. By virtue of the application of the same Section as explained by the Minister of Justice in January 1875 all territorial land rights claimed by the Indian Tribes of the Province were preserved and it was enacted that such rights should be an "interest" in the public lands of the Province. The Indian Tribes of British Columbia claim actual beneficial ownership of their territories, but do not claim absolute ownership in the sense of ownership excluding any title of the Crown. It is recognized by the allied Tribes that there is in respect of all the public lands of the Province an underlying title of the Crown, which title at least for present purposes it is not thought necessary to define.

3. In order to make clear what is meant by an "interest" the Petitioners quote the following words of Lord Watson to be found in the Indian Claims Case—L. R. 1897 A. C. at page 210:—"An interest other than that of the Province in the same appears to them to denote some right or interest in a third party independent of and capable of being vindicated in competition with the beneficial interest of the old Province."

4. The position taken by the allied Tribes was placed before Parliament by means of Petition presented to the House of Commons on 23rd March 1920 and read in the House of Commons and recorded on 26th March 1920 (Hansard p. 825) and Petition presented to the Senate on 9th June 1920, to all contents of which two Petitions the Petitioners beg leave to refer.

5. In the month of August 1910 Sir Wilfrid Laurier, having been advised by the Department of Justice that the Indian land controversy should be judicially decided, met the Indian Tribes of Northern British Columbia at Prince Rupert and speaking on behalf of Canada said—"I think the only way to settle this question that you have agitated for years is by a decision of the Judicial Committee, and I will take steps to help you."

6. By agreement which was entered into by the late Mr. J. A. J. McKenna, Special Commissioner on behalf of the Dominion of Canada and the late

Premier Sir Richard McBride on behalf of the Province of British Columbia in the month of September 1912 and before the end of that year was adopted by both Governments it was stipulated that by means of a Joint Commission to be appointed lands should be added to Indian Reserves and lands should be cut off from Indian Reserves. By that agreement it was provided that the carrying out of its stipulations should be a "final adjustment of all matters relating to Indian affairs in the Province of British Columbia."

7. On the 30th day of June 1916 the Royal Commission on Indian Affairs for the Province of British Columbia appointed in pursuance of the agreement above mentioned issued Report which was placed in the hands of both Governments.

8. In the month of September 1916 the Duke of Connaught, acting as His Majesty's Representative in Canada and in response to letter which had been addressed to him on behalf of the Nishga Tribe and the Interior Tribes gave assurances communicated by His Secretary to the General Counsel of allied Tribes in the following words:—

"His Royal Highness has interviewed the Honourable Dr. Roche with reference to your letter of the 29th May and your interview with me and I am commanded by His Royal Highness to state that he considers it is the duty of the Nishga Tribe of Indians to await the decision of the Commission, after which, if they do not agree to the conditions set forth by that Commission, they can appeal to the Privy Council in England, when their case will have every consideration. As their contentions will be duly considered by the Privy Council in the event of the Indians being dissatisfied with the decision of the Commission, His Royal Highness is not prepared to interfere in the matter at present and he hopes that you will advise the Indians to await the decision of this Commission."

9. The allied Tribes have always been and still are unwilling to be bound by the agreement above mentioned and have always been and still are unwilling to accept as final settlement the findings contained in the Report of the Royal Commission.

10. In the year 1920 the Parliament of Canada enacted the law known as Bill 13 being Chapter 51 of the Statutes of that year authorizing the Governor-General in Council to carry out the agreement above mentioned by adopting the Report of the Royal Commission. From the preamble and the enacting words the professed purpose of the Bill appeared to be that of effecting settlement by actually adjusting all matters.

11. In course of debate regarding Bill 13 had in the Senate on 2nd June 1920 Sir James Lougheed leader of the then Government in the Senate answering remarks of Senator Bostock by which was expressed the fear that if the Bill should become law the Indians might "be entirely put out of Court and be unable to proceed on any question of title," gave the following assurance (Debates of Senate, 1920, p. 475, col. 2):—

"I might say further, honourable gentlemen, that we do not propose to exclude the claims of Indians. It will be manifest to every honourable gentleman that if the Indians have claims anterior to Confederation or anterior to the creation of the two Crown Colonies in the Province of British Columbia they could be adjusted or settled by the Imperial Authorities. Those claims are still valid. If the claim be a valid one which is being advanced by this gentleman and those associated with him as to the Indian Tribes of British Columbia being entitled to the whole of the lands in British Columbia this Government cannot disturb that claim. That claim can still be asserted in the future."

12. Upon occasion of interview had with the Executive Committee and the General Counsel of allied Tribes at Vancouver on 27th July 1923 the Minister of Interior speaking on behalf of the Government of Canada conceded that the allied Tribes are entitled to secure judicial decision of the Indian land controversy and gave assurance that the Dominion of Canada would help them in securing such decision.

13. By Order-in-Council passed in the month of August 1923 the Government of the Province of British Columbia adopted the Report of the Royal Commission.

14. By Memorandum which was presented to the Government of Canada on 29th February 1924 the allied Tribes opposed the passing of Order-in-Council of the Government of Canada adopting the Report of the Royal Commission upon the ground, among other grounds, that, no matter whatever relating to Indian affairs in British Columbia having been fully adjusted and important matters such as foreshore rights, fishing rights and water rights not having been to any extent adjusted, the professed purpose of the Agreement and the Act had not been accomplished.

15. By Order-in-Council passed on 19th July 1924 the Government of Canada, acting under Chapter 51 of the Statutes of the year 1920 and upon recommendation of the Minister of Interior adopted the Report of the Royal Commission.

16. From the Memorandum issued by the Deputy Minister of Justice on 29th February, 1924, answering questions which had been submitted by the allied Tribes to the Government of Canada, the Order-in-Council passed on 19th July 1914 and the Memorandum issued by the Deputy Minister of Indian Affairs on 9th August 1924 it clearly appears as is submitted that both the Department of Justice and the Department of Indian Affairs regard the Statute Chapter 51 of the year 1920 as intended, not for bringing about an actual adjustment of all matters relating to Indian affairs, but for the purpose of bringing about a legislative adjustment of all such matters and thus effecting final settlement under the laws of Canada without the concurrence or consent of the Indian Tribes of British Columbia.

17. The allied Tribes submit that, so far as Section 2 being the main enactment of Chapter 51 may be interpreted as being intended for accomplishing the purpose above mentioned and thus bringing to an end all the aboriginal rights claimed by the Indian Tribes of British Columbia that enactment is in conflict with the provisions of the British North America Act.

18. On the 15th January 1925 the Executive Committee of the allied Tribes unanimously adopted the following resolution:

"In view of the fact that the two Governments have passed Orders-in-Council confirming the Report of the Royal Commission on Indian affairs, we the Executive Committee of the allied Tribes of British Columbia are more than ever determined to take such action as may be necessary in order that the Indian Tribes of British Columbia may receive justice and are furthermore determined to establish the rights claimed by them by a judicial decision of His Majesty's Privy Council."

19. In the course of debate had in the House of Commons on the 26th June 1925 the Minister of Interior speaking on behalf of the Government of Canada in answer to the representations which had been made on behalf of the allied Tribes recognized that the allied Tribes are entitled to obtain from His Majesty's Privy Council decision of the Indian land controversy and agreed that the Government would give authoritative sanction for doing so.

20. With regard to the remark then made by the Minister that the Government would not be justified in providing funds unless "something very concrete"

should be presented, the allied Tribes submit that they have already presented "something very concrete", namely their own conditions proposed for equitable settlement by their Statement presented to the Government of British Columbia in response to request of that Government in the month of December 1919, and subsequently presented to the Government of Canada.

21. With regard to the general subject of the funds which as the allied Tribes claim the Dominion of Canada is under the obligation of providing, the allied Tribes have placed in the hands of the Superintendent-General of Indian Affairs the following Memorial:

The Allied Indian Tribes of British Columbia to the Superintendent General of Indian Affairs

By this Memorial of the allied Indian Tribes of British Columbia it is respectfully submitted as follows:

The allied Tribes submit that the Dominion of Canada is under obligation for providing all funds already expended and all funds requiring hereafter to be expended by the allied Tribes in dealing with the Indian land controversy, in establishing the rights of the allied Tribes, and in bringing about final adjustment of all matters relating to Indian affairs in British Columbia.

The allied Tribes so submit upon grounds briefly stated as follows:

1. Well established precedent relating to judicial proceedings intended for establishing the rights of Indian Tribes and in particular that of the Oko case, which was carried independently to the Judicial Committee of His Majesty's Privy Council by the Indians interested and of which the total cost was provided by the Parliament of Canada.

2. The fact that the Dominion of Canada being by virtue of the British North America Act and the "Terms of Union" Trustee for the Indian Tribes of British Columbia and under all obligations arising from such trusteeship has by entering into the compact with British Columbia above mentioned rendered itself incompetent for taking effective action establishing the rights of the Indian Tribes of British Columbia, as is clearly shown by the Opinion of the Minister of Justice issued in the month of December 1913, and moreover has put itself in the position of a party in the case upholding the contentions of the Province of British Columbia, and by the acts so stated has placed upon the Indian Tribes the absolute necessity of proceeding independently for establishing their rights.

3. The principle of compensation in respect of all aboriginal land and other rights of the Indian Tribes of British Columbia, responsibility for which has already been conceded by the Dominion of Canada, and of which as the allied Tribes submit the first item consists of the full expenditure required for establishing such rights of the Indian Tribes and bringing about adjustment of all matters now requiring to be adjusted.

4. The assurances which on behalf of the Dominion of Canada have from time to time been given to the Indian Tribes of British Columbia and in particular that of Sir Wilfrid Laurier and those of the present Minister of Interior.

5. The lands and funds held by the Dominion of Canada in trust for the allied Tribes and being the full beneficial property of the allied Tribes.

Therefore the Allied Tribes now formally demand from the Dominion of Canada payment of the sum of one hundred thousand dollars, being the total amount of such expenditure already incurred, and further demand from the Dominion of Canada that full provision be made for paying all additional funds which hereafter shall be required for such expenditure, as shall be agreed upon between the allied Tribes and the Dominion of Canada or if necessary shall be determined by the Judicial Committee of His Majesty's Privy Council.

Dated at the City of Ottawa the June 1926.

Chairman of Executive Committee of Allied Tribes

To Honourable Charles Stewart, Superintendent-General of Indian Affairs, Ottawa.

22. The Government of Canada having definitely agreed as is above shown that the Dominion of Canada will facilitate securing from the Judicial Committee of His Majesty's Privy Council decision of the Indian land controversy, the General Counsel of allied Tribes entered upon discussion with the Minister of Justice regarding the particular method by which the securing of such decision will be facilitated, and offered to suggest for consideration of the Minister of Justice common ground which might be reached by the Government of Canada and the allied Tribes in connection with the carrying forward of the independent judicial proceedings of the allied Tribes.

23. In presenting this Petition to the Parliament of Canada as the Supreme Body representing the Dominion of Canada the allied Tribes declare that, while it is necessary for them to demand what they consider to be their rights from both the Province of British Columbia and the Dominion of Canada and even to contest the validity of an Act of the Parliament of Canada, they desire and intend to act towards all Ministers of the Crown, all Members of both Houses of Parliament and all others concerned in a thoroughly reasonable and conciliatory way and that their one central objective is by securing judicial decision of all issues involved to open the way for bringing about an equitable and moderate settlement satisfactory to the Governments as well as to themselves.

Therefore the Petitioners humbly pray:—

1. That by amendment of Chapter 51 of the Statutes of the year 1920 or otherwise the assurance set out in paragraph 11 of this Petition be made effective and the aboriginal rights of the Indian Tribes of British Columbia be safeguarded.

2. That steps be taken for defining and settling between the allied Indian Tribes and the Dominion of Canada all issues requiring to be decided between the Indian Tribes of British Columbia on the one hand and the Government of British Columbia and the Government of Canada on the other hand.

3. That immediate steps be taken for facilitating the independent proceedings of the allied Tribes and enabling them by securing reference of the Petition now in His Majesty's Privy Council and such other independent judicial action as shall be found necessary to secure judgment of the Judicial Committee of His Majesty's Privy Council deciding all issues involved.

4. That this Petition and all related matters be referred to a Special Committee for full consideration.

Dated at the City of Ottawa the 10th day of June 1926.

Peter R. Kelly,
Chairman of Executive Committee of Allied Tribes.

PRIVATE BILL

FIRST READING

Bill 12, an Act respecting Joliette and Northern Railway Company.—Hon. Mr. Gordon.

SPECIAL WAR REVENUE BILL

FIRST READING

Bill 115, an Act to amend the Special War Revenue Act, 1915.—Hon. Mr. Dandurand.

APPROPRIATION BILL NO. 3

FIRST READING

Bill 192, an Act for granting to His Majesty a certain sum of money for the Public Service of the financial year ending the 31st March, 1927.—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill. He said: Honourable gentlemen, as to-morrow will be the pay-day of the Civil Service, I move, with the leave of the Senate, that this Bill be now read a second time. It is on the same line and to the same purpose as the Bills we have already passed for two other twelfths.

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

THIRD READING

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

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

APPROPRIATION BILL NO. 4

FIRST READING

Bill 193, an Act for granting to His Majesty a certain sum of money for the Public Service of the financial year ending the 31st March, 1927.—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill. He said: Honourable gentlemen, this Bill grants the sum of $10,000,000 to the Canadian National Railways and $200,000 to the Canadian Government Merchant Marine. Honourable gentlemen know that the Railway Estimates are submitted separately to a Special Committee of the other House, and when these sums came under review it was recommended by that Committee that this amount should be advanced immediately to the Railways, so that they might not be embarrassed at this season of the year. The recommendation was unanimously agreed to by the other House.

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

THIRD READING

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

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

DIVORCE BILLS

SECOND AND THIRD READINGS

Bill P6, an Act for the relief of Gwendolen McLachlin.—Hon. Mr. Pardee.

Bill Q6, an Act for the relief of Jessie Evis.—Hon. Mr. Schaffner.

Bill R6, an Act for the relief of Max Gertler.—Hon. Mr. Robertson.

Bill S6, an Act for the relief of Florence May Hicks.—Hon. Mr. McMeans.

Bill T6, an Act for the relief of Ruth May Harrington.—Hon. Mr. Haydon.

Bill U6, an Act for the relief of Edith Maude Bull.—Hon. Mr. Haydon.

Bill V6, an Act for the relief of Joseph Bernard Hoodless.—Hon. Mr. Haydon.

Bill W6, an Act for the relief of Amelia Chester.—Hon. Mr. Willoughby.

EXCISE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill No. 188, an Act to amend the Excise Act.

He said: Honourable gentlemen, the amendment to Section 68 of the Excise Act is proposed as the result of representations made by the tobacco manufacturing industry in Canada, to the effect that, at present, the Excise Act discriminates in favour of imported tobacco and cigars, since such imported goods may, under the provisions of the Customs Act, be delivered for "Ships' Stores," in bond, under Customs supervision, and upon the production of a receipt from the master of the vessel that such tobacco and cigars will be used only on the high seas, and not re-landed in Canada.

Similar regulations have been provided under the Excise Act, but the difficulty is that while there are Customs bonded warehouses at practically all important maritime ports, there are very few Excise bonded warehouses, and the merchants object to the duplication of work and the increase of expense which would be necessary in establishing Excise bonded warehouses at the same points.

The result is that a demand for imported goods has been created, to the detriment of the Canadian product.

The proposed legislation will, therefore, rectify the situation without endangering the protection of the revenue, and by removing the inconvenience, loss of time, and expense, due to existing conditions.

With reference to the repeal of paragraph (f) of Subsection 1, Section 279 of the Excise Act, it may be stated that the demand for cigars in packages containing less than ten

cigars each has grown in popular favour during recent years, although the total production of cigars has seriously decreased. For example, the number of cigars of domestic manufacture entered for duty during the fiscal year ended 31st March, 1920, was 270,089,000; whereas, during the year ended 31st March, 1925, the number had decreased to 168,097,000, although for the fiscal year ended 31st March last a slight increase is observed, the quantity being 174,059,000.

With regard to cigars contained in small packages, however, the quantity entered for consumption during the year ended March 31st, 1925, was 6,666,000, whereas during the year ended 31st March last, the quantity had increased to 10,888,000. If all of the cigars in packages containing less than ten cigars each had been entered for duty at $3 per thousand, instead of $4, the rate provided by the Act at present, the loss in revenue for the fiscal year ended 31st March, 1925, would have been $6,666, and for the year ended 31st March last, $10,888. The loss in revenue is therefore comparatively unimportant, and the proposed legislation will, no doubt, enable the cigar manufacturers throughout the Dominion to recover some of the serious loss in business which has been experienced of late years.

Hon. Mr. REID: I would like to ask the honourable leader of the Government if this request has been made by our Canadian manufacturers. If so, I suppose it is with the desire of helping their export business.

Hon. Mr. DANDURAND: From the explanatory notes that are before us, I would infer that the Canadian manufacturers have complained of this discrimination, and the proposed amendment will have the effect of placing bonded domestic and foreign tobacco and cigars and cigarettes on an equal footing.

Hon. Mr. REID: I would also like to ask, now that Excise and Customs are united in one department, whether any Act has been passed making the regulations as to bond houses apply to both, so that an amendment of this kind would not be required.

Hon. Mr. DANDURAND: No, there has not been such legislation. Although I have not given any attention to this matter, there might be some advantage in drawing the attention of the Minister to the question raised by my honourable friend.

Hon. Mr. REID: There were two Departments before, so that manufacturers required those bonded warehouses, and I was wondering if there had been any Act passed bringing them under the joint Department.

Hon. Mr. DANDURAND: It is quite apparent there has not been legislation to bring those two classes of warehouses together, since we are now proceeding with this amendment to authorize the transfer of goods from one to the other; but I will draw the attention of the Minister to the question my honourable friend has raised.

Hon. Mr. REID: I cannot see any reason why the Minister should not have the right to deal with these warehouses as though they were under one Department.

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

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

INCOME WAR TAX BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 116, an Act to amend the Income War Tax Act, 1917.

He said: Honourable gentlemen, I have received no memorandum regarding this Bill, but I may perhaps content myself with saying that the Bill has for its object the reduction of the amount of the income tax on a graduated scale, and also the creating of some exemptions. I do not suppose that I need go very much into a detailed statement of what the Bill contains.

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

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

POSSESSION OF WEAPONS BILL

THIRD READING

Hon. Mr. BELCOURT moved the third reading of Bill Q3, an Act to amend certain provisions of the Criminal Code respecting the Possession of Weapons.

Hon. Mr. McCORMICK: I have not seen a copy of this Bill, but might I ask whether there is any provision in the Bill that the manufacturer or importer has to take a record of revolvers that are held by people in the country, and whether they are obliged by this Bill to register them.

Hon. Mr. BELCOURT: Yes, the importer has to keep a register and send a copy to the Attorney General of the Province.

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

On the question, that the Bill do now pass:

Hon. Mr. GRIESBACH: I was going to suggest to the author of this Bill that he might include automatic guns and automatic rifles in the list of weapons included in this Bill.

Hon. Mr. BELCOURT: I am quite agreeable to adopting that suggestion.

Hon. Mr. McMEANS: If that addition is to be made, the Bill should be sent back to the Committee, so that we might get some information on the subject. There has been a great deal of time spent on this Bill, and we have had experts giving evidence before the Committee. I have no objection to automatic shot-guns being included, whether they are used for sporting purposes or not, but I suggest that the Bill be referred back for further information.

Hon. Mr. GRIESBACH: I would like to point out that I wrote to the Chairman of the Committee asking to be heard before the Committee, but did not receive a reply. It is a pity that the automatic rifle and shotgun were not included, as they have been forbidden by the game laws of most of the Provinces. The automatic rifle is a dangerous weapon, and should have been dealt with by the experts who went before the Committee. This is the first opportunity I have had of discussing the report.

Hon. Mr. BELCOURT: The difficulty seems to be that on the third reading of a Bill it is only by unanimous consent of the House that we can go back and introduce anything new into the Bill. Under the circumstances, while my honourable friend's suggestion is a reasonable one, and I would have agreed to it if it had been made in Committee, it seems to me that if this suggestion were taken up at this stage, it would involve the disappearance of the Bill.

Hon. Mr. GRIESBACH: Under the circumstances I will not press the matter, though I think it is an important one.

The motion was agreed to and the Bill passed.

Hon. Mr. DANDURAND: I move that we adjourn during pleasure with the idea of re-convening at 10 o'clock, and the Banking and Commerce Committee may sit in the meantime. As we may have the Royal Assent to Bills to-morrow, this will give us an opportunity of receiving further Bills from the other House this evening.

The motion of Hon. Mr. Dandurand was agreed to, and the Senate adjourned during pleasure.

The sitting having been resumed:

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

THE SENATE

Tuesday, June 15, 1926.

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

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Governor General's Secretary acquainting him that the Right Honourable F. A. Anglin, acting as Deputy of the Governor General, would proceed to the Senate Chamber this day at 5.45 p.m., for the purpose of giving the Royal Assent to certain Bills.

THE KING'S BIRTHDAY

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

Did the British House of Commons sit on the third of June, 1926, on the birthday of His Majesty King George the Fifth?

Hon. Mr. DANDURAND: The British House of Commons sat on June 3rd, 1926. The birthday of His Majesty King George the Fifth was officially celebrated on June 5th in Great Britain.

GOVERNMENT STEAMER LADY GREY

MOTION FOR RETURN

Hon. Mr. POPE moved:

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

1. Where was the steam boat Lady Grey every day during the month of October, 1925?
2. At what places did she call, and how long did she remain at each and every place?
3. Did she carry any persons on board besides the crew?
4. What were the names of these persons, if any?
5. Where did they go on board and at what places did they disembark?

The motion was agreed to.

PRINTING AND DISTRIBUTION OF PARLIAMENTARY PAPERS

INQUIRY AND DISCUSSION

Hon. Mr. TAYLOR rose in accordance with the following notice:

That he will call the attention of the Senate to evidences of decay in the service of printing and distributing parliamentary papers and will inquire:—

1. What period was covered by the reports contained in the bound volumes last distributed to Members of Parliament and to libraries and other institutions accustomed to receive the same; and at what date were these volumes ready for distribution?

2. Are the bound volumes for 1924-25 now available? If not, when are they expected to be ready, and what has been the cause of any unusual delay?

He said: Honourable gentlemen, the matter to which I desire to call attention indicates a return to the primitive condition when there was no king in Israel and every subject did what was right in his own eyes. I refer to the non-distribution of what are known as Sessional Papers, those yellow backed bound volumes that from time immemorial have been distributed to members of Parliament and also to universities and libraries throughout the country. I have not got complete information, although I think I know the answer to the questions. I put this matter in the form of questions in the hope that in obtaining the answers to them the representative of the Government in this Chamber would be seized of information with which he might work upon his colleagues to secure results that others have found it impossible to secure.

So far as I can ascertain, this distribution of bound volumes has been suspended solely because of a difference of opinion between a couple of officials of the Government, and even the influence of the member of the Government supposed to be responsible for the business under reference has proved unavailing in removing the deadlock. The inconvenience, of course, is felt by every person who has occasion to use these bound volumes. Under a recent rule and practice of the Distribution Department, members of Parliament do not get all the blue-books—that is, the unbound volumes— but only such as they request upon receipt of a card from the Distribution Office. Many members, myself amongst the number, have not been in the habit of asking for blue-books, because we knew that we would get the complete set of departmental reports bound later on, and it is idle to duplicate the service. Now we find that since 1923-24 there are no more bound Sessional Papers available; that we cannot get them, that universities and libraries cannot get them.

I am not authorized to speak for the Joint Committee on Printing of both Houses, of which I am a member; but I may be permitted to say just this much about it: that that Committee, supposed to have authority in the premises, has on more than one occasion endeavoured to get at the bottom of this deadlock, and without avail has attempted to have a special meeting to deal with the subject; but for some reason or other the meeting cannot be brought off, and it is in the hope that the attention of the Government may be brought to it, and that they will exercise the authority which used to go with the office of Government to have the distribution renewed, that I ask the questions now on the paper.

Hon. Mr. DANDURAND: I confess that I have not been made aware of the difficulty which the honourable gentleman brings to the attention of the Senate, and probably the answer which I am about to give will not cover the matter that is contained in his remarks. I have here a reply with respect to the Department of Public Printing and Stationery, which is as follows:

It is understood that the "bound volumes" in question are the volumes of Sessional Papers, and the reply is as follows:

1. (a) (i) Departmental reports April 1, 1923, to March 31, 1924.

(ii) Departmental reports January 1, 1924, to December 31, 1924.

(iii) Miscellaneous, February 2, 1925.

(b) December, 1925.

2. (a) No.

(b) No order for printing has been yet received.

That explains that the order should have come from the Joint Committee on Printing; but that Committee not having met, no order has gone out to the Printing Department. I am somewhat in the dark, and do not know exactly what the difficulty is; but perhaps, if I draw it to the attention of the Minister—whose name my honourable friend will kindly give me—I may obtain further information on the subject.

Hon. Mr. TAYLOR: If I may be permitted to add a word of explanation. The Minister is the Minister of Labour: he has to do with the Printing Department. The service has been authorized by the Joint Committee on Printing from time immemorial. I had occasion to look up that matter, and I find that that procedure was formally authorized 60 years ago, and it has been supplemented over and over again, and until now there has never been any question about it. Some person—whom I do not care to indicate in the absence of full information—has intervened recently and refused to give the executive order without which the Printing Department cannot go

ahead with the binding of these volumes. The matter is already printed, because these volumes are simply extra copies of the departmental reports. There is no question of cost entering into it, the cost being very immaterial. It is simply, as I see it, a matter of stubborness on the part of an official.

Hon. Mr. DANDURAND: If the Joint Committee on Printing gave such an order, would it not be carried out?

Hon. Mr. TAYLOR: They do not give the executive order; they authorize distribution to libraries, universities, and members of Parliament.

Hon. Mr. ROBERTSON: My honourable friend will perhaps recall that only a few years ago some question arose over the distribution of the expense of printing the departmental reports, and I think I have heard that there is some question as to whether the expense entailed in the binding of these volumes should be charged to the Departments, any or all of them, or whether it should be charged to the account of Parliament, and that therefore no executive order has been issued for the work. This is a matter that I think should easily be adjusted, and I am sure the Leader of the Government will be glad to look into it.

Hon. Mr. DANDURAND: I would infer that if there is some friction between two or more Departments, Council could perhaps intervene.

IMMIGRATION BILL

MOTION FOR SECOND READING NEGATIVED

Hon. Mr. DANDURAND moved the second reading of Bill 91, an Act to amend the Immigration Act.

He said: Honourable gentlemen, there are on the Order Paper two Bills which have some relation to each other. I may have occasion in the course of my remarks to refer to both Bills, namely, an Act to amend the Immigration Act, and an Act to amend the Criminal Code. I may say at the outset that, although some relation exists between them, they can be treated separately, and one may be adopted without the other being approved. They are not so linked that their fate must be the same.

The Bill which is now under review is a very short one:

Section forty-one of the Immigration Act Chapter twenty-seven of the Statutes of 1910, as enacted by Chapter twenty-six of the Statutes of 1919, is repealed.

In order that honourable gentlemen many have a fuller grasp of the matter, I will read section forty, which is not repealed. It comes under the heading of "Deportation of prohibited and undesirable classes." Section 40, which will remain in force, is not affected by this amendment. It reads as follows:

Whenever any person, other than a Canadian citizen or person having Canadian domicile—

I revert to the interpretation clause, which says that "Canadian domicile can only be acquired, for the purposes of this Act, by a person having his domicile for five years in Canada after having been landed therein within the meaning of this Act."

Whenever any person, other than a Canadian citizen or person having Canadian domicile, shall be found an inmate of or connected with the management of a house of prostitution or practising prostitution, or who shall receive, share in, or derive benefit from, any part of the earnings of any prostitute or who manages or is employed by, in, or in connection with any house of prostitution or music or dance hall or other place of amusement or resort habitually frequented by prostitutes, or where prostitutes gather, or who in any way assists any prostitute or protects or promises to protect from arrest any prostitute or who shall import any person for the purpose of prostitution or for any other immoral purpose, or—

I would draw the attention of honourable gentlemen to this phrase—

—or who has been convicted of a criminal offence in Canada or who admits the commission prior to landing or entry to Canada of a crime involving moral turpitude, or has become a professional beggar or a public charge or practises polygamy, or has become an inmate of a penitentiary, gaol, reformatory, prison, asylum or hospital for the insane or the mentally deficient, or an inmate of a public charitable institution, or enters or remains in Canada contrary to any provision of this Act, it shall be the duty of any officer cognizant thereof, and the duty of the clerk, secretary or other official of any municipality in Canada wherein such person may be, to forthwith send a written complaint thereof to the Minister, giving full particulars.

Hon. W. B. ROSS: May I ask the honourable gentleman what he is reading from?

Hon. Mr. DANDURAND: I am reading section 40.

Hon. Mr. ROSS: Section 40 of chapter twenty-seven?

Hon. Mr. McMEANS: Of 1919.

Hon. Mr. DANDURAND: I have read clause 40, and will now read clause 41.

Hon. Mr. ROSS: But what the honourable gentleman has been reading is not section 40 of the Statute.

Hon. Mr. McMEANS: Yes, it is the Statutes of 1919.

Hon. Mr. ROSS: It is the Act of 1910 as amended by the Act of 1919?

Hon. Mr. McMEANS: Yes, Chapter twenty-five.

Hon. Mr. DANDURAND: The clause which it is desired to repeal reads as follows:

41. Every person who by word or act in Canada seeks to overthrow by force or violence the government of or constituted law and authority in the United Kingdom of Great Britain and Ireland or Canada, or any of the provinces of Canada, or the government of any other of His Majesty's dominions, colonies, possessions or dependencies, or advocates the assassination of any official of any of the said governments or of any foreign government, or who in Canada defends or suggests the unlawful destruction of property or by word or act creates or attempts to create any riot or public disorders in Canada, or who without lawful authority assumes any powers of government in Canada or in any part thereof, or who by common repute belongs to or is suspected of belonging to any secret society or organization which extorts money from or in any way attempts to control any resident of Canada, by force or by threat of bodily harm, or by blackmail, or who is a member of or affiliated with any organization entertaining or teaching disbelief in or opposition to organized government shall, for the purposes of this Act, be deemed to belong to the prohibited or undesirable classes, and shall be liable to deportation in the manner provided by this Act, and it shall be the duty of any officer becoming cognizant thereof and of the clerk, secretary or other official of any municipality in Canada wherein any such person may be, forthwith to send a written complaint to the Minister, giving full particulars: Provided—

I would draw the attention of honourable gentlemen to this proviso—

Provided, that this section shall not apply to any person who is a British subject, either by reason of birth in Canada, or by reason of naturalization in Canada.

This proviso does not include the Britisher who has acquired Canadian domicile. "Any person who is a British subject either by reason of birth in Canada" means any Canadian born here, as most of us have been. Any person who is a British subject "by reason of naturalization in Canada" means any alien, not a Britisher, who has come to Canada and become a naturalized subject. The British-born coming from other parts of the British Empire are thus excluded. They can gain Canadian domicile by five years' residence, under clause 40, but they shall not be excepted from the operation of clause 41. An alien coming from any part of the globe who obtains his letters of naturalization in Canada cannot be deported without a trial. He cannot be deported at all under this clause, for the simple reason that the acquisition of his Canadian nationality has deprived him of any country to which he might be deported. But the Britisher who comes from the British Isles, who is not a British subject by reason of birth in Canada or naturalization in Canada, can be deported even if he has been here thirty or thirty-five years. A certain number of honourable members of this Chamber, and certainly His Honour the Speaker, could be deported without a trial if a Board of Inquiry so decided.

Hon. Mr. DANIEL: If he were guilty of any of these offences, it would be a good thing to deport him.

Hon. Mr. DANDURAND: The explanatory note on the page accompanying Bill 91 gives the following explanation, among others, for the withdrawal of this clause:

This Bill is designed:—

(a) To make deportation for certain causes dependent upon a conviction in Canada, under Part II of the Criminal Code, relating to offences against public order, rather than upon a hearing before a Board of Inquiry, concerning certain offences under section 41 of the Immigration Act:

(b) To remove the discrimination—

And I refer to this proviso—

(b) To remove the discrimination against the British born as it stands in the existing section, by recognizing his Canadian citizenship as in the case of the alien born who has been naturalized in Canada.

I believe that the declaration contained in that note is absolutely true, and I will stand by it until some honourable member of this Chamber succeeds in convincing me that a different interpretation should be placed upon those two clauses.

There is one of the reasons why section 41 should be repealed. But there is one more important Bill, or at least as important. We all remember how this clause 41 came to be enacted in its present terms. The situation which gave rise to this legislation has passed, and it is no longer necessary to retain this provision in the Immigration Act.

Hon. Mr. LYNCH-STAUNTON: Would the honourable gentleman say why it is not necessary now, but was then?

Hon. Mr. DANDURAND: My honourable friend will remember how it came to be placed on the Statute Book in 1919. There had been a formidable revolution in one of the largest countries of the world, Russia, and it was feared that the ideas that were current in that country would be disseminated in Canada, and there had been throughout this country an agitation which caused Parliament to fear that there might be some men acting for the same purposes as those who had succeeded in bringing about the revolution in Russia. Therefore the clause was enacted as it now stands.

The view that the clause has accomplished its purpose has been concurred in by the House of Commons. The section, as the House of Commons believe, puts altogether too much power into the hands of the Board of Inquiry, which, according to section 22 of

the Immigration Act, may be composed of but one officer, who in the very nature of things may be a man largely if not wholly without legal training. I would call attention to section 13 of the Act which says:

The Minister may nominate at any port of entry any number of officers not exceeding five, any three of whom may act as a Board of Inquiry for the summary determination of all cases of immigrants, passengers or other persons, seeking to enter or land in Canada or detained for any cause under this Act.

Section 22 says that when there is no Board of Inquiry at a port of entry, then the officer in charge shall exercise the powers and discharge the duties of a Board of Inquiry and shall follow as nearly as may be the procedure of such Board as regards hearing and appeal and all other matters over which it has jurisdiction.

The Minister may authorize any immigration officer to exercise the powers and discharge the duties of a Board of Inquiry and such officer so authorized may exercise such powers and discharge such duties at any place in Canada other than a port of entry.

Hon. Mr. McMEANS: Is there no appeal from that decision?

Hon. Mr. DANDURAND: There is an appeal to the Minister. The section, as I have stated, puts altogether too much power into the hands of the Board of Inquiry which may be composed, as I have just said, of one immigration officer, who in the very nature of the case will be a man largely if not wholly without legal training.

It is in the public interest and more in accord with British methods of justice that determination of undesirability as defined by section 41 of the Immigration Act shall be left to our regular courts of justice rather than to the decision of an Immigration Board.

Canada is amply protected when provision is made for deportation of a person convicted of a criminal offence in Canada. I have read clause 40, which is to remain in the Act, and which declares that anyone may be deported who has been convicted of a criminal offence in Canada. The deportation of such person is provided for in section 40 of the Immigration Act. The undesirable classes of section 41, to be repealed, are included in Part II of the Criminal Code, and therefore the repeal of section 41 does not remove the power of deportation. It merely makes it dependent upon a court conviction rather than on the order of an Immigration Board.

Labour also considers it a discrimination against the British-born to make him liable to deportation regardless of his length of residence in Canada, when aliens naturalized in Canada are placed beyond the power of deportation the moment they become naturalized. No person has yet been deported under the authority of section 41 of the Act of 1919; there is therefore no ground for believing that the repeal of section 41 will remove any power or authority now exercised for the protection of Canada.

Right Hon. Sir GEORGE E. FOSTER: Do I understand my honourable friend to say that every offence which is indicated in section 41 as it now stands is provided for as to trial and conviction in the Criminal Code?

Hon. Mr. DANDURAND: Every one of those offences. I have the dictum of the Department of Justice and the Minister of Justice himself on the floor of the House.

Hon. Mr. DANIEL: Does not the British subject become a naturalized Canadian or a Canadian citizen after five years' residence?

Hon. Mr. DANDURAND: He does not become naturalized: he is a British subject.

Hon. Mr. DANIEL: He becomes a Canadian citizen, does he not, after five years' residence?

Hon. Mr. DANDURAND: He acquires Canadian domicile after five years; but under clause 41 he is excluded from the class of Britishers having their naturalization by being Canadian-born or by reason of naturalization in Canada. A Canadian citizen means a person born in Canada who has not become an alien, or a British subject who has Canadian domicile, or a person naturalized under the laws of Canada who has not subsequently become an alien or lost his Canadian domicile.

Hon. Mr. DANIEL: Then a Britisher obtains Canadian domicile after being here five years. Does not that put him in that class?

Hon. Mr. DANDURAND: I will read the proviso of clause 41, and my honourable friend will see that the Britisher born outside of Canada does not fall under that class.

Provided that this section shall not apply to any person who is a British subject, either by reason of birth in Canada, or by reason of naturalization.

All the others fall under the operation of clause 41. So that the Britisher who was not born in Canada, or the alien who was not naturalized in Canada, can always be deported from the country.

Hon. Mr. McMEANS: Is there no way by which British subjects can become Canadian citizens by residence in Canada?

Hon. Mr. DANDURAND: A British subject can acquire Canadian domicile after five years.

Hon. Mr. McMEANS: That makes him a Canadian citizen?

Hon. Mr. DANDURAND: Yes, but that does not free him from the operation of clause 41, because he has been excluded.

Hon. Mr. McMEANS: I always understood that a man born in England, for instance, and coming to Canada and living here for five years, obtained Canadian citizenship.

Hon. Mr. CALDER: Honourable gentlemen, I think we are confusing two things. When you speak of Canadian citizenship, you may speak of it so far as our elections are concerned—

Hon. Mr. McMEANS: No.

Hon. Mr. CALDER: These expressions are used in this law and put there for the carrying out of this law only. When the Immigration Act was framed you had to make provision for deportation, and you had to limit the conditions under which it might take place. For that reason the words Canadian citizenship, domicile, and other expressions of that character had to be defined. A Britisher comes to Canada and resides here for a year, and for three months in the district, and he has all the rights of a Canadian citizen so far as the elections are concerned, but he has not the rights of a Canadian citizen under the Immigration law. A man comes to Canada and in the course of two years becomes insane. You will not say that he has reached the stage where we in this country should care for him and maintain him. Consequently the provisions as laid down in the law, that if a man who comes from another part of the British Empire has any of the disqualifications that make him deportable, we have the right to deport him. After he has been here five years and acquired domicile or become a Canadian citizen, then we cannot deport him.

Hon. Mr. DANDURAND: Except under clause 41.

Hon. Mr. CALDER: Quite right—except under clause 41.

Hon. Mr. DANDURAND: I draw the attention of honourable gentlemen to the very clear distinction made in the description of the people who are deportable under clause 40 and under clause 41. What does clause 40 say?

> Whenever any person, other than a Canadian citizen or person having Canadian domicile, shall be found an inmate of or connected with the management of—etc.

There the terms are much wider. It is a Canadian citizen or a citizen having acquired Canadian domicile, and I draw the attention of the Senate to the fact that under the definition of Canadian domicile an alien can get Canadian domicile. He may not have his letters of naturalization, but he will have acquired Canadian domicile just as a Britisher coming from some other part of the Empire.

So, under clause 40, which remains, all Canadian citizens and all persons having Canadian domicile will be deportable if they commit any of the offenses set out in clause 40, or if they are convicted of a criminal offence in Canada. Now, if clause 41 disappears, then all the offences contained in that clause will be tried before our courts, and all those convicted of such offences before our courts will be deportable under clause 40.

Hon. Mr. CASGRAIN: Where will you take them to?

Hon. Mr. DANDURAND: They will be deportable to the countries from which they have come.

I stated that there was some relation between Bill 91 and Bill 153. If honourable gentlemen will look at Bill 153, they will see that it seeks to repeal sections 97A and 97B of the Criminal Code, and that those sections contain, in practically the same words, all the offences that are mentioned in section 41. You will be asked to repeal those clauses, and to restore the clauses that they replaced, in order to return to the terms of the Criminal Code, which allowed the courts to deal with all these cases.

Now, if a majority of the Senate feels some doubt as to the detailed offences falling clearly under the law as it was before 1919, they will be at liberty to retain them. We will discuss the Bill on its merits when it comes before us; but the present terms, or the terms which will be expressed in the Criminal Code after Bill 153 has been adopted, are sufficient to bring before the courts all the parties that have committed offences which are defined under clause 41. I say that in order that honourable members of the Senate may free their minds from the idea that the rejection of clause 41 can have any important effect on the Criminal Code. The Criminal Code as it is, or as it will be after we have passed Bill 153, will give all the necessary powers to the courts to deal with all the offences contained in clause 41.

Hon. Mr. TANNER: Has there been any person subjected to injustice under the Act of 1919?

Hon. Mr. DANDURAND: There has not been one single case dealt with under that clause.

Hon. Mr. TANNER: Then why should we worry about it?

Hon. Mr. DANDURAND: I am not worrying about it, but there are trades and labour unions that have repeatedly, if not annually, asked that clause 41 be repealed.

Hon. Mr. TANNER: They do not need to worry. They are very law-abiding citizens.

Hon. Mr. DANDURAND: We have given them some rights: we recognize certain rights. We have recognized the right to strike and the right of picketing. There are numerous rights which they can exercise for their protection.

Hon. Mr. TANNER: I thought the Supreme Court stated the other day that picketing was unlawful.

Hon. Mr. DANDURAND: I do not remember what has taken place with regard to some clauses of the Criminal Code which allow of picketing and define it; but I know that I had occasion some forty years ago to sit as a magistrate during a holiday, and to decide a most important case as to the right of employees in the port of Montreal to picket and notify the public coming to the steamers that a strike was on. I remember deciding that the employees had gone beyond the exercise of their right of picketing. I cannot say what amendments have been made in this connection, but the labour people say that Parliament is giving immigration agents a power which should belong to the courts. Immigration agents have considerable discretion in refusing to receive an immigrant; but when an immigrant has been allowed to come into the country and has been here for a few years, I believe it is very imprudent to allow an immigration agent who has no legal training or experience to decide upon the merits or actions of that immigrant or of a Britisher who has been here for twenty years. I ask honourable gentlemen to think of an immigration agent having to decide whether a person is a member of or affiliated with any organization "entertaining or teaching disbelief in or opposition to organized government." I contend, honourable gentlemen, that such matters would be most difficult to ascertain. There may be newspaper articles, or pamphlets, or articles written, which will require the best trained legal mind to make a proper distinction between a fair right to criticize and something that is not fair. Surely all this appertains to the tribunals of this country, and not to an immigration agent. A man who has come here with his family and who has been here for a few years, or, in the case of the British-born, who has been here twenty years, and who falls under this clause, can be ordered out of the country.

It is true, as honourable gentlemen may say, that there is an appeal to the Minister. I am convinced that the Minister would exercise his best judgment; but in times of stress and difficulty you could possibly project into this matter the political action of the Minister. At all events, whatever may be the reasons for fear on the part of the labour unions, they say that these are, under the British constitution, matters which are all too important to be treated so lightly as to be confided to an immigration agent, or three immigration agents, forming a Board of Inquiry; that these matters should go before the tribunals of the country; that it is the right of any Britisher to appeal to the courts for his protection; that under clause 40 anyone who is convicted of any of these offences can then be deported.

Hon. Mr. LYNCH-STAUNTON: The honourable gentlemen stated, I think, in the course of his speech, that everything covered by section 41 of the Immigration Act as it now stands is covered by the Criminal Code.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. LYNCH-STAUNTON: Would the honourable gentleman be kind enough to tell me where I may find that? Is he willing to have this clause transferred to the Criminal Code and the matter left to the judges?

Hon. Mr. GRIESBACH: I am asking a similar question.

Hon. Mr. LYNCH-STAUNTON: Wait a moment.

Hon. Mr. DANDURAND: I referred a moment ago to sections 97A and 97B of the Criminal Code; but they are in Bill 153, which seeks to repeal those clauses.

Hon. Mr. LYNCH-STAUNTON: But Bill 153 seems to me to wash out all the merit there is in the Criminal Code.

Hon. Mr. DANDURAND: The Department of Justice and the Minister of Justice claim that these are useless, because under the Criminal Code, sections 132 and 133 will suffice to bring all persons guilty of sedition before the Criminal Courts.

Hon. Mr. GRIESBACH: Yes, but not to convict them.

Hon. Mr. DANDURAND: Section 132 defines sedition. The Act declares sedition to be an offence. But my honourable friend will see that, after declaring sedition to be an offence, and before 1919, when we enacted sections 97A and 97B, there was this saving clause, section 133, which it is desired to reinstate in the Code. My honourable friend will find it printed in Bill 153, at page 2. After declaring that "sedition" is an offence, section 133 says:

No one shall be deemed to have a seditious intention only because he intends in good faith,—

(a) to show that His Mojesty has been misled or mistaken in his measures; or,

(b) to point out errors or defects in the government or constitution of the United Kingdom, or of any part of it, or of Canada or any province thereof, or in either House of Parliament of the United Kingdom or of Canada, or in any legislature, or in the administration of justice; or to excite His Majesty's subjects to attempt to procure, by lawful means, the alteration of any matter in the state; or,

(c) to point out, in order to their removal, matters which are producing or have a tendency to produce feelings of hatred or ill-will between different classes of His Majesty's subjects.

Hon. Mr. BEIQUE: Section 133 was repealed by the Act of 1919.

Hon. Mr. DANDURAND: Yes, section 133 was repealed by the Act of 1919, which enacted sections 97A and 97B. The purpose of Bill 153 is to restore the old law by repealing sections 97A and 97B.

Of course, it will be for the Senate to decide whether or not it is advisable to repeal these sections. The Senate may decide not to repeal them; that, although superfluous they may well remain. However, that in no wise affects clause 41 of the Immigration Act, which it is now desired to repeal. When we come to discuss the amendment of the Criminal Code it will be for the Senate to see that there is retained in the Code all the necessary machinery to bring offenders for trial before the Criminal Courts.

Hon. Mr. GRIESBACH: I would like to ask this question, which I have been trying to put for some time: how many deportations have there been under this clause in the different years?

Hon. Mr. DANDURAND: None.

Hon. Mr. GRIESBACH: There surely have been some deportations. Were there not deportations in 1919?

Hon. Mr. McMEANS: That is when the Act was passed.

Hon. Mr. DANDURAND: It has been stated elsewhere, and I am now informed by the representatives of the Department, that there have been deportations under clause 40, but none under 41.

Now, in order to draw the attention of honourable members of the Senate more closely to the danger of section 41 remaining to be interpreted by an ordinary immigration agent, I would point out the exception which is contained in the British Act, and which until 1919 was always in our own legislation, but was replaced by 97A:

No one shall be deemed to have a seditious intention only because he intends in good faith:

(a) To show that His Majesty has been misled or mistaken in his measures—

That is, the Government of the country—

(b) To point out errors or defects in the Government or Constitution of the United Kingdom or any part of it, or of Canada or any Province thereof. . . . .

Hon. Mr. LYNCH-STAUNTON: Are those acts now seditious?

Hon. Mr. DANDURAND: No. They are not seditious, but I mentioned them—

Hon. Mr. LYNCH-STAUNTON: But would the honourable gentleman permit me? New Section 133 declares that certain acts shall not be considered seditious now, and on the face of them they look very innocent. If this is not passed, may I ask the honourable gentleman, could a man be convicted of sedition for any one of the acts mentioned there?

Hon. Mr. DANDURAND: The courts would have to govern themselves according to clauses which have been inserted in place of 133—97A and 97B.

Hon. Mr. LYNCH-STAUNTON: If the honourable gentleman will permit me—that does not answer my question. It is this: if a man were indicted because he pointed out errors or defects in the Government or the Constitution of the United Kingdom, could he be convicted of sedition?

Hon. Mr. DANDURAND: That is a very broad question, and, although these clauses were dropped, I would say that I could carry my point if I had such a defence as is allowed me under section 133; that I could carry my case to the highest tribunal before accepting conviction. For I know of indictments that are made against the Government by His Majesty's loyal Opposition in most virulent speeches both in the House of Commons and outside.

Hon. Mr. LYNCH-STAUNTON: Is the honourable gentleman endeavouring to protect the Government by this means?

Hon. Mr. DANDURAND: No, the Government can defend itself. I may say that articles have appeared within the last week in some newspapers printed not very far from Ottawa, which are so written as to bring hatred or contempt upon the heads of some gentlemen who are parliamentarians.

Hon. Mr. LYNCH-STAUNTON: Why do you not put them in jail?

Hon. Mr. DANDURAND: I cite the proposed section 133 again to show on what delicate ground we are treading and how difficult it often is for the trained mind—for a judge, who has a judicial mind—to make the necessary distinctions as between what is permissible and what is not. Yet in times of stress we pass legislation which allows ordinary immigration agents at any port in Canada to decide that persons whom they have admitted into this country, and who have been here for a year, or ten years, or, if they are British-born, twenty-five years for that matter, may be seized and sent back home. I say that savors of autocracy, and in a free country under British institutions that condition should not prevail. For that reason I say that section 41 should be withdrawn. Let us retain all the powers that we have, but, so far as deportation is concerned, let us put them into the hands of the proper authorities.

Hon. Mr. McMEANS: Since the honourable gentleman has so decided an opinion against deporting anybody from this country without trial, will he permit me to ask him why he would allow section 40 to remain upon the Statute Book? By that section, if an unfortunate woman is found to be an inmate of a house of ill-fame, you may deport her without trial; or a person who is a beggar may be deported.

Hon. Mr. DANDURAND: The answer is a very easy one.

Hon. Mr. McMEANS: Wait a moment. Why do you draw a distinction between those people and seditious persons who come into this country to sow the seeds of revolution? Those others are, to my mind, committing an ordinary offence, which is frequently committed in the country, but the seditious persons are immigrants whose purpose is to overthrow the form of government. You say they shall not be deported, but the unfortunate found in the house of ill-fame shall be deported. If the honourable gentleman is so strongly opposed to deportation, why not repeal section 40 as well as 41?

Hon. Mr. DANDURAND: My honourable friend is in error. I do not say they shall not be deported: I say they should have a trial.

Hon. Mr. McMEANS: Why would you not give the others a trial?

Hon. Mr. DANDURAND: Because when you are examining into the very delicate question of what constitutes a seditious article in a newspaper or a book, you meet with difficulties that you do not meet with in the case of a police officer going into a house of ill-fame and finding a woman living there, because in this case the facts are easily ascertained, whereas an important part of the offences described in section 41 fall into the class of matters that are very hard to decide.

With this explanation I submit that we can safely repeal section 41 and leave it to the courts to decide who are desirable citizens and who are undesirable. By this amendment we free the British-born who have been in this country for years from the odium of being liable to deportation without trial.

Hon. W. B. ROSS: Honourable gentlemen, I have only a few words to say about Bill 91. Some nine years ago this Parliament passed the law which it is now proposed to repeal. At that time the concensus of opinion in Parliament was that the measure was necessary. It has been on the Statute Book ever since, and I understand there has never been any injustice or wrong done to anyone under it, though the administration of it has been in the hands of the immigration authorities all the time. This is the fourth, or at least the third, time it has been proposed to repeal section 41.

Hon. Mr. DANDURAND: I would point out to my honourable friend that the amendment is not in the same form. I trust he will not be prejudiced against it.

Hon. Mr. ROSS: It is practically the same. Under the law as it stands now a man may be dealt with by a Board if there is a strong suspicion of his being an undesirable citizen. Having been dealt with by the Board, if he is ordered to be deported, he has an appeal to the Minister. Now, I am not ready to-day to go back upon the decision that this House has taken from the time it gave its sanction to section 41 of the Immigration Act until the present time. There are, I suppose, differences of opinion in the House, but I see no necessity for this amendment being made now. The time may come when this House may prepare a Bill dealing with both the Immigration Act and the criminal law of this country. But the thing is very much mixed up, and

when the time comes to deal with it—which I think has not yet arrived—it will have to be dealt with with a great deal of care and at a juncture when the House has abundance of time to study every word and every clause in the Bills which are presented. The position I take is that this Bill is entirely premature. This matter can very well stand over for the future, because there is not the slightest chance of any honest, law-abiding man who comes into this country being in any way molested under this provision.

As to the amendment to the Criminal Code to which my honourable friend has referred, we can deal with that when we come to it. It is practically a new law and will have to be very carefully considered. However, I need not express an opinion as to that now.

Hon. Mr. McMEANS: Honourable gentlemen, I have one or two remarks to make in regard to the Bill now before the House. Perhaps the Leader of the Government can give me some further information that will remove the doubts in my mind as to the proposal to repeal section 41. I find that section 41 was primarily enacted in 1910, and was re-enacted in 1919. In 1910 there was no trouble arising either from the war or from strikes, but that was the law of this country, and under it any person guilty of sedition could be deported without trial. The effect of this Bill, as I read it, it to repeal the clause enacted in 1910 so far as it relates to certain classes of people guilty of sedition, and nothing is substituted for it.

Hon. Mr. DANDURAND: My honourable friend is right in saying that the elements of clause 41 were enacted prior to 1919. Those powers were never utilized, and the law did not apply, as it does now, to the British-born who has been in the country for a number of years.

Hon. Mr. McMEANS: If this Bill is passed, we will have no law under which a person could be deported for sedition.

Hon. Mr. DANDURAND: We will have section 40, which deals with anyone who is convicted of a criminal offence.

Hon. Mr. McMEANS: I want to draw a distinction. If a man is accused of a crime, he has to be tried, and if found guilty he has to be punished; but we do not accuse a man who comes in here and attempts to disturb the country; we simply say: "From what we know about you, you are an undesirable citizen." We do not want that man here, and we do not want to go to the expense of charging him with a crime or of keeping him in the penitentiary.

Hon. Mr. DANDURAND: That is an arbitrary, autocratic act.

Hon. Mr. McMEANS: I do not think so. If my honourable friend will read the papers, he will find that the great republic to the south of us acts on that principle. It will not let people in.

Hon. Mr. DANDURAND: That is another thing.

Hon. Mr. McMEANS: If people come across the boundary who should not have come across, there should be some right to deport them. My honourable friend has laid a great deal of stress on the British-born. I am British-born, and have the highest respect for those people; but may I point out that at the time of the revolutionary strike in the city of Winnipeg, which had such a bad effect upon that city and upon Canada as a whole, the men who organized that incipient revolution were all British-born. It is not the foreigner who gives the trouble. The leaders of these people are from the British Islands, chiefly from England and Scotland. They preach their doctrines to the uneducated, to the foreigners, and consequently I claim they are more dangerous to the peace and welfare of this country than are the men from any other country.

At the time of the Winnipeg strike men flocked in from the United States, members of the I.W.W. and other organizations that were inimical to the peace of this country, and who had for their purpose the overthrow of the Government. They wanted to take a hand in the affair. Does my honourable friend say that that is the time to charge them with a crime, and to try them, when you have not any evidence to convict them? Is not the proper time to act the moment you know that they are there for that purpose? Was it not a good thing that this Act was in force so that they could be deported? Do you think any man of a good character would be accused of sedition and deported? I venture to say that there never has been such a case. But the man who makes his living by preaching these doctrines says, "You cannot stop me from coming into Canada, and before you can put me out you have to lay an information against me and prove it." How are you going to prove it if he is a member of a secret society, the members of which are all under oath?

I look upon this law as one of the greatest safeguards we have. I cannot see the object of repealing it. Where are we going to look for protection? We know that to-day the country is honeycombed with people who are preaching these doctrines, even in the Sunday schools. Are we going to open the doors and let them come in, and provide that we cannot deport them unless we charge them with a crime and convict them? If some of the terms of the Act are too strong, let us redraft the clause but leave the principle untouched—a principle that has been in force since 1910—so that men of that class may be deported.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I have been trying to reconcile some of the answers that have been given with some of the refutations of them by other speakers, and my mind is not clear with reference to this matter. I find that you propose to strike out the old clause 41, which states, so that he who runs may read, just what those practices are which are criminal. The law has the purpose of teaching as well as of restricting and punishing, and the plainer the definitions of criminal offences so that the common man can understand them the better, for then you are not only making the law clear, but you are teaching every person who reads it exactly what it means.

As I understood my honourable friend, every one of the specific offences mentioned in clause 41 would be retained in the Criminal Code. That has been refuted on this side of the House, and from what my honourable friend said a little later in reply to the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton), I got the impression that although they were in the Criminal Code they were down under the surface—that they are included in one or two words the purport of which is that they are seditious practices. Am I right or wrong in that? Show me the place in the Criminal Code where every one of those acts which are alleged to be criminal are defined in exactly the same language. Or do you say they are in the Criminal Code because it deals with seditious practices, and the interpretation of legal men is so and so? If my impression is correct, the argument has not been stressed to a point where it commends itself to the attention of people who want the law made clear. Maybe my impression is wrong.

Hon. Mr. DANDURAND: When it comes to a repetition of the words which are in section 41, I believe they are to be found in the law as it is; but the Bill which follows this one seeks to withdraw the repetition of words because the Department of Justice believes that all those repetitions come under the clauses which define sedition, seditious libel, seditious words, libel on foreign sovereigns, etc. The statement of the Department of Justice is that practically a repetition of the words in section 41 are to be found in 97B of the Criminal Code—that all those words fall under a general clause which will bring before the courts anyone who is guilty of any of the offences named in section 41.

I have stated that it will be for the Senate to decide whether it is opportune to retain all those words detailing the offences in 97A and 97B. The Senate may, in its judgment, accept or reject the second Bill. If the Senate prefers to have the whole list of offences in clause 41 itemized and detailed in the Criminal Code, it will only have to reject the Bill which is to follow, which seeks to withdraw them. I do not know whether I have made myself clear.

Right Hon. Sir GEORGE E. FOSTER: It would be more clear to me if I saw the sections side by side and read them myself; but I gather that there would not be that simplicity and clarity of definition of all those different offences if you struck out clause 41 and relied simply upon the Criminal Code. My impression is that when you went to the Criminal Code you would find in it provisions relating to seditious actions, and that it would not to the common mind carry the force and clearness of the exposition in section 41.

Then I go to Bill 153, and I find there that you are going to repeal certain clauses, a whole page and more.

Hon. Mr. DANDURAND: Much is a repetition of section 41.

Right Hon. Sir GEORGE E. FOSTER: Is it the intention of the Government, having carried this Bill, to go on and carry that? If the Government's intention is carried out, you get rid of this clause and you get rid of the other sections in Bill 153, and you get back to nothing but what you might call an abstract or a skeleton of what constitutes seditious practice.

It seems to me that it is pretty important, especially at this stage of world development, that we do one thing and refuse to do another: one, to make the law absolutely as clear as the English language can make it so that every person who reads it may know just exactly what it means. That is done admirably in clause 41, and any man who reads it

understands exactly what practices are illegal and for what he may be punished. It is important that clarity should be maintained, and I am very much of the opinion that it would not be maintained if we were to take away this and take away the other, and go back again to the Criminal Code. The second thing which is equally important, maybe more so, is this. When Parliament has once defined in plain English what these people should not do, and what will be the punishment if they proceed to do them, you should not withdraw a canon of that kind. The very fact that you do withdraw it detracts from what you have clearly and plainly stated. You say: "Let us withdraw it; abolish it." What is thought of such action? It is taken for a recession from the strong and clear expression of what are criminal practices, and a concession to the criminal element who say: "Aha, they have found out themselves that they went too far, were a little too clear; they withdraw that and are going to give us a chance, and we will make the best of our opportunities."

There is to-day in every country of the world a determined, organized, malicious attempt to overthrow respect for authority; all the conventions of the past that humanity has worked out from its experience and has made operative as custom or has embodied in law and made operative in law. The people behind this movement are powerful; they are distributed over every country of the world. They are malicious to the very bottom of their hearts, and it is their purpose to overthrow everything that has been built up and to introduce something else in the hope that in the confusion which follows they will find opportunities for themselves. It is very important for us to take no backward step.

After all, what is the objection to clause 41? The only objection that I have heard here is that the tribunal which you erect by it is not a proper tribunal. Very well, that is debatable. But is it not possible to maintain the clearness and precision of this clause, and then to consider whether or not it is a proper tribunal? Shall it be an immigration officer? If he is not supposed to have the experience and ability and knowledge necessary, it is easy for us to say what kind of tribunal it should be. Let us debate the question as to what is the proper tribunal. But it is not necessary, in order to get the proper tribunal, that you should withdraw a clause which is very clear and which, I think, in its operation has caused no injustice.

I was impressed with an argument which has been put forward by my honourable friend from Winnipeg (Hon. Mr. McMeans): it is that anything which makes it easy for a bad-actor to get into our country and stay here to carry on his bad conduct is not for the good of this country. I am impressed with the argument that when you give him locus, you give him a place to stand, you give him an opportunity for a year, or two years, or three, to work out his machinations and carry out his malicious intents, and he is entrenched there until you can dislodge him by some very regular, formal proceedings, which take time and require evidence difficult to obtain.

Do you know that in the United States of America 95 per cent of the persons who are involved in murders and burglarious killings never come to punishment—why? Because along with an organized system of villainy, extending in a hundred different directions, there exists a system of legal defence for that villainy, and it is the business of some of the acutest and subtlest minds in the legal profession in that country to defend people of that class. They have ample funds—funds by the thousands—by the hundreds of thousands—by the millions, and there are companies organized to bail out those people. So this legal combination can go on fighting conviction until witnesses die or vanish, and only a small proportion of persons accused can be brought to absolute punishment. That is the condition in the United States of America. It is filtering into Canada. There is no customs barrier that can keep out such things, and that same sort of disloyalty to law and order and the conventions of society is creeping over into our country and is showing itself every year more and more. We must be on our guard against that. There must be a summary method by which a bad man may be prevented from action until you can bring evidence to show that he has committed an overt act and can punish him according to the regular code and the regular proceedings. I think that these are matters which ought to be very seriously considered.

Why can we not allow this amendment to stand? It costs little to print it and keep it in the air. If there is need for a better tribunal, or for prompter or more efficient action, we can discuss that need. It may be that instead of an officer of the Immigration Department, or three officers, you could have a court of judges or some other experienced tribunal. I have some little compunction myself about putting a reputable citizen into the hands of a single officer who is inexperienced in the matters as to which he is called upon to act. But we ought to be able to get a tribunal to deal with such matters. I think it is a rather serious thing to let

down the bars and make it possible for bad men to remain in the country. They can now travel by aeroplane and get into the country in spite of you. In view of the schools in which they have been trained, and the avowed purpose of their training, which they have been given money to carry out in every quarter of the globe, it is a pretty serious thing for you to allow them to have a nesting-place and a lair in our country until you can smoke them out by some of the older and more respectable methods. There ought to be a way of getting at them quickly and getting rid of their pernicious influence.

Hon. J. A. CALDER: Honourable gentlemen, I desire to say just a few words with reference to this Bill. In the first place, as has been pointed out by the honourable gentleman from Winnipeg (Hon. Mr. McMeans), the principle that is being attacked, namely, the right of a person who is to be deported for offences of a certain character to have a criminal trial, has not been in our legislation for a long period of years. The law as it stood in 1910 is in effect the same as the law that is being attacked to-day, and I am sure that if we went back of the legislation of 1910 we should find that the same condition prevailed. If we had time to examine the laws of other countries as well, I think we should find that they contained the same principle as is advocated by the right honourable member for Ottawa (Right Hon. Sir George E. Foster), namely, that the Government must be in a position to deal with certain deportable cases without recourse to the courts. I have not the facts at my finger-ends, and I will oppose the second reading of this Bill unless it is to be referred to Committee, so that we may be able to ascertain the facts. But I think I am quite safe in saying that in the statutes of practically every other country there is provision just such as that which is now being attacked. We all know that the Government of the United States, within recent years, has sent its dragnets out over the country, gathered together hundreds of undesirable persons, and, without trial at all, put them on board ship and sent them back to their homes. We all know of the famous case that occurred down in South Africa, where a tremendous disturbance was created by certain people. What did the Government of South Africa do? They did not try those men; they simply took them and put them on board ship and sent them back to Great Britain, as I understand, without trial. We know that in Australia quite recently there has been trouble of a somewhat similar character, and the Australian Government has acted in the same way.

My point is this, that we should be very careful in taking from our statute law a provision that is there for the protection of our people in some respect or other. It has been stated time and time again this afternoon that there is danger here, because suspected persons would be tried by an immigration officer. In practice that would never take place at all. When the law was changed in 1919 I was Minister of Immigration, and there were those who at that time desired to have one of our immigration officers try certain people and decide whether they should be deported or not. I as Minister, and the Government as well, would not allow that at all. We said: "In those particular cases let the question go to the courts." It did go to the courts, and, as has been stated, there has never been a case in which any hardship has occurred under this law, either under the 1910 provision or under the amendment of 1919. There is in the law a power that the Government, through its officers, can exercise if it chooses, but I am quite certain that in the administration of this law no Minister of Immigration or no Government would ever allow one, two or three immigration officials to deport a man without the full knowledge and sanction of the Government itself—not only of the Minister, but of the entire Government —for deportation is a serious matter.

As I have said, I would like to see this Bill go before a Committee. I would like to ascertain just what is the law of other countries in cases of this kind. There would be no harm in delaying this Bill for a year. If our next Session is similar to the present one, we might very profitably spend some time in the early part of the Session in ascertaining the condition of the law in other countries.

Hon. G. LYNCH-STAUNTON: Honourable gentlemen, I desire to say just a few words. Nothing can be added to the argument that has been presented. It has been most lucid, and if I had needed conviction I should be convinced by those speeches. But I want to point out one thing. The honourable the leader of the Government and those who support the repeal of the present law seem to base their argument on the ground that a man is convicted without trial. By passing that legislation Parliament made no such provision. No man is deprived of his liberty; no man is deprived of his rights; no man has anything taken away from him. We have the absolute right to keep undesirables out of this country; and every country on earth has a similar right.

Hon. Mr. DANDURAND: But that is not the present case.

Hon. Mr. LYNCH-STAUNTON: This Government or this country would not undertake to deprive a man of his liberty without trial, because it is the boast of British civilization that no man is so treated; and when we enforce this law we simply set him at liberty beyond our confines. We do not punish him. We are only providing machinery for putting into force that absolute right of any nation to exclude foreigners. The United States exclude the criminal. Indeed, they keep out the just as well as the unjust. We also have undertaken to deport people. If a man who comes into Hamilton, or Toronto, or Montreal, is arrested, taken to the police station and found to be an undesirable alien, he is sent across the line. He is not even sent under the extradition law. A man may be extradited here without trial. There are innumerable cases in which we exercise our right to tell people they may not remain in our country. It is an entirely different case when it is a question of casting a man into prison and making him a felon. That should not be done without a trial. But we ought not to give up the right which every nation has and exercises, of excluding undesirables.

Hon. Sir ALLEN AYLESWORTH: Honourable gentlemen, I hesitate to intervene in this debate, because the subject is one of so much importance and because I had not intended to say anything in regard to this measure, or prepared myself to speak. My excuse for opening my lips is the fact that I was a member of the House of Commons when the Bill of 1910 was enacted, and that measure, I think, was the first under which this power of deportation without trial was conferred.

I felt at that time very great hesitation in regard to the propriety of any such legislation. It was introduced at the wish of the authorities of the Department charged with the administration of the immigration law. The Minister of Immigration of that day, one of my colleagues in the Government, was very strongly in favour of it. He and I had many a discussion on the proposition which culminated in the Act of 1910. It seemed to me that it was going too far. To him and, I think, to all the members of the House of Commons of that day, it was an experiment which ought to be tried—something which, after it had been in operation for a time and we had seen the result, might then be either amended or altogether repealed.

I shall not attempt—I am not able—to discuss what has taken place since that day, or to express any opinion as to whether or not the legislation of 1910 or the amendment of 1919 ought to be retained upon our Statute Book in the light of the experience that we have had since. I want to look at the question, and I do try to look at it, not from the standpoint of the criminal, the man who is in truth guilty of seditious utterances or of other offences which would well warrant his exclusion from this country. I think we ought to look at it rather from the standpoint of the man who is innocent and who is either suspected or charged as guilty of an offence under the legislation as it now stands, and may be punished, and very grievously punished, accordingly. Is not every man who sets foot upon British soil entitled to a trial? Ought he to be convicted, to be sentenced and to receive punishment without having the ordinary protection which British law extends to the vilest criminal? That is literally what happens, so long as the present legislation stands upon the Statute Book. A man may be denounced upon mere suspicion. He may be brought before this tribunal, whatever it may be called, which passes upon the case according to his general reputation in the community, and if that Board or tribunal so declares, he must be deported. That seems to me to be a most serious punishment. It is not merely imprisonment in the sense of restraint upon individual liberty, but it is extending that imprisonment beyond the territorial limits of this country; it is sending the man into some other country, in which he does not wish to be. In that sense it is literally not only restraint of liberty and imprisonment for him, but it is actual punishment.

Now, for what end, other than to protect the innocent and to secure the punishment of the guilty, have all our laws been passed? To what other end do we owe it that we today enjoy the rights and privileges we have as British subjects under Magna Charta and under that other great protective charter of British liberty, the Habeas Corpus Act? That stroke from this man who may be a British subject by birth as much as any of us, and who, if innocent, is most grievously injured by the kind of hearing which he will get under the law as it now stands. If you repeal that law as this Bill proposes, what harm do you do? You still have the power to deport upon conviction; and ought you to have that power otherwise? I cannot see it. I thought in 1910 that it was a most dangerous thing to deny to any British subject the right to have his case investigated in

court by judge or jury, or by the appropriate tribunal. I think so still. By the statute as passed in 1910 you said to this man, whoever he might be: "You have no longer a right to apply and obtain a writ of habeas corpus and to have your custody inquired into by a court." Every other British subject, every other man who sets foot upon Canadian soil, if restrained of his liberty, has an undoubted right upon application to the court to have his case inquired into, the causes of his detention shown, and the judge or court satisfied that at least there was a charge against him which must be tried by the judicial tribunals of the country. As long as the present enactment stands you take away from anyone who is charged under it the right to the ordinary trial by the ordinary tribunals of the country. Looking at it from the standpoint of the man who may be innocent, that seems to me a most grievous wrong, and unhesitatingly I support the present measure for repeal.

Hon. F. F. PARDEE: I have a very few words to say on this matter. The present Act was passed in 1910, and since that time there have been very few, if any, deportations under it. It seems to have worked no hardship whatever.

The class of persons aimed at in the Act are the most dangerous class for many reasons, that can come into a community. We have had examples in this country, and we have examples in other countries, where such people have stirred up the unwelfare, if I may so express it, of the people, more than any other class of which I know.

It may be that the provisions of the Act are not all that they should be, but I agree with my honourable friend from Regina (Hon. Mr. Calder) when he says that no single immigration officer, no two immigration officers, would ever dare to take into their own hands the deportation of a man unless the facts absolutely called for it. It would not be done unless practically the whole Government was consulted about it. Under those circumstances it appears to me that if you take this class of men before the courts, you do one thing that has not been mentioned this afternoon—a thing that in the United States is a source of great lawlessness: you place them before what you call a proper tribunal; that means a trial by jury, because under the Criminal Code they are entitled to it; if you once put this class of case before a jury—and I think in this I will be borne out by every lawyer and layman in this House—the present combination of criminals and criminal lawyers will result in a disagreement on the part of the jury nineteen times out of twenty. This class of case is more serious to a country than almost any other that you can name. It disrupts labour as a class, and every other walk of life.

Some honourable gentlemen seem to think that the present statute is not sufficient as to finding out whether or not a man is guilty. As I said a moment ago, it has not been shown that since 1910 any hardship or any injustice has been worked upon anybody; so I say that before we change this whole Act, and change the mode of trial, there should be some discussion beyond the two hours' consideration that we have given to it as to what tribunal should be formed to conduct these trials. As this provision has stood since 1910, I do not think very much harm will be done by leaving it over to another Session.

Hon. Mr. BELCOURT: May I add two words. I wish to show that in cases which might arise, and probably would arise, there would be a very grievous injustice done if a trial were refused. I am not for one moment questioning the right of any nation to say who shall be allowed to come into its country to stay. I admit that as a principle; that I do not think is susceptible of contradiction. Unquestionably Canada has every right to say who shall come into Canada. Meantime, you may have this case. Take one who has acquired a Canadian domicile, one who has been allowed to come in and is qualifying for full Canadian citizenship. There has been a sort of agreement, a sort of contract between the Canadian state and that person. He has been admitted into the country after his record elsewhere has been inquired into. It is the law of all nations.

Hon. Mr. LYNCH-STAUNTON: Where does the honourable gentleman get authority for the statement that it is international law that there is an implied contract once a man comes in?

Hon. Mr. BELCOURT: I am speaking of the jus gentium, not of strict international law. A man comes to Canada and says: "I want to enter your country; here is my record." That is gone into, and he is allowed to come in and to put in the period which is necessary in order to give him full Canadian citizenship. Now, whilst he is qualifying to become a real Canadian subject he is accused of committing a seditious act, a seditious libel or overt act of some kind. I say that man is entitled to a trial. He has not acquired full citizenship, but is on the way. But he is refused a trial and is deported. That, I say, is an injustice. I agree absolutely with those who

affirm that if the record of any man who tries to come into Canada is found to be wanting, we have an absolute right to say to him: "No, you cannot come in," but if, after examining his record, we admit him, I think he is entitled to a trial.

Right Hon. Sir GEORGE E. FOSTER: Has my honourable friend taken account of the fact that he comes in under a law which is existent and which he is supposed to know. If one of the provisions of that law clearly states that if within a certain period after he has come in certain developments take place —say that he is shown to be of a weak mind or to have a trace of insanity, or any other of half a dozen things which may be shown—is it not implied in our contract that he may be deported—that he has not a clear title?

Hon. Mr. BELCOURT: The cases are different. He has come in, not under false pretences, but after he has conformed to the requirements to which the right honourable gentleman has referred; and if it is found afterwards that when he came in he was not within the requirements of the law, I quite understand that he can be deported. But the other case is entirely different. It is a case of accusing a man of a crime, an overt act, after his admission, and you are going to deport him.

Hon. Mr. LYNCH-STAUNTON: Does not the honourable gentleman know that there are innumerable cases of that, and that men are extradited without trial?

Hon. Mr. BELCOURT: I quite agree with my honourable friend. That is by agreement under treaty. My honourable friend knows that extradition is always a matter of treaty. I am not dealing with this matter as a question of international law, but rather as an invitation that we extend to people outside to come and live with us and qualify for Canadian citizenship, and who, while qualifying, are accused of a crime.

Hon. Mr. McMEANS: We say: "Here is a man we do not want in this country because we have reason to believe that he will disturb the peace of the country." If he were accused of a crime, I would agree with my honourable friend.

Hon. Mr. BELCOURT: I am not speaking of a man who comes to Canada and asks to be admitted. I have dealt with that. I am trying to make a distinction between that man and the man who has been allowed to come in to qualify in order to become a Canadian citizen. If this Bill passes he may be deported without any trial. He has acquired some rights, the extent of which I do not wish to determine. Everyone must admit that if he has spent two or three years in qualifying to become a Canadian citizen he has acquired a status of some kind. He is deprived of that and is deported without having a chance of explaining or defending himself. When this legislation was passed, like the honourable gentleman from Toronto (Hon. Sir Allen Aylesworth)—I do not remember whether I was in this House or in the other House—I felt that it was an unwarranted interference with the liberty of the subject. I do not think it is necessary to refer to magna charta or habeas corpus; I think on general principles that man who is allowed to come into the country should not be deported unless the reason for his deportation is established.

Hon. Mr. McMEANS: Would you also repeal section 40?

Hon. Mr. BELCOURT: Certainly, and I think on stronger grounds that 41.

Hon. Mr. BEIQUE: Honourable gentlemen, I am not ready at this moment to express a definite opinion on the merits of the present Bill, but I must confess that I was very much impressed by the words which were pronounced by the honourable member from Winnipeg (Hon. Mr. McMeans), and by the right honourable the junior member from Ottawa (Right Hon. Sir George E. Foster), and I would hesitate to remove from our statutes the safeguard that is to be found in section 41. But I call the attention of the honourable Leader of the Government to this fact. There are two opinions. One, as far as I can see, is that that provision should be preserved, and the other, tending towards the belief that it is covered by the Criminal Code. We are at present confronted with two Bills, one asking for the removal of the safeguard to be found in section 41, and the other, under which sections 97A and 97B of the Criminal Code will be removed. I think it would be much better to reverse the order of these Bills, and to take up Bill No. 153 first, and see whether the House could be satisfied as to the wording of the Criminal Code in that respect. I think in that event the position of the honourable gentleman (Hon. Mr. Dandurand) would be much stronger. But if we deal with this Bill first, we may find, if we pass it, that we are unable to secure the rejection of the other Bill. Therefore, I think it would be much better to clarify the situation so far as the Criminal Code is concerned, and then to take up the Immigration Act.

Hon. Mr. DANDURAND: I would like to say a few words on this matter in closing, and I will refer to the suggestion of my honourable friend from De Salaberry (Hon. Mr. Béique). If my honourable friend believes that I have made a fair case in favour of transferring the offences mentioned in clause 41 of this Bill from the jurisdiction of the immigration officers to the courts of this country, then I think that I can refer him to Bill 153, which—

Hon. Mr. BEIQUE: —has removed it?

Hon. Mr. DANDURAND: No, which tends to remove the series of offences, but which can be retained if the Senate desires. All that can be decided by passing the present Bill and withdrawing clause 41 is that those offences shall be transferred to the proper tribunals. We can say that after looking at the Criminal Code as it is; and as it is at present it contains sections 97A and 97B. I stated that if the Senate believed that that whole list in detail should remain in the Criminal Code, it has power to leave it there. My honourable friend has surely read Bill 153, and he will see what section 97A and 97B are. They say:

97a. (1) Any association, organization, society or corporation, whose professed purpose or one of whose purposes is to bring about any governmental, industrial or economic change within Canada, by use of force violence or physical injury to person or property, or by threats of such injury, or which teaches, advocates, advises or defends the use of force, violence, terrorism, or physical injury to person or property, or threats of such injury, in order to accomplish such change, or for any other purpose, or which shall by any means prosecute or pursue such purpose or professed purpose, or shall so teach, advocate, advise or defend, shall be an unlawful association.

(2) Any property, real or personal, belonging or suspected to belong to an unlawful association, or held or suspected to be held by any person for or on behalf thereof may, without warrant, be seized or taken possession of by any person thereunto authorized by the Chief Commissioner of Dominion Police or by the Commissioner of the Royal Northwest Mounted Police, and may thereupon be forfeited to His Majesty.

(3) Any person who acts or professes to act as an officer of any such unlawful association, and who shall sell, speak, write or publish anything as the representative or professed representative of any such unlawful association, or become and continue to be a member thereof, or wear, carry or cause to be displayed upon or about his person or elsewhere, any badge, insignia, emblem, banner, motto, pennant, card, button or other device whatsoever, indicating or intended to show or suggest that he is a member of or in anywise associated with any such unlawful association, or who shall contribute anything as dues or otherwise, to it or to any one for it, or who shall solicit subscriptions or contributions for it, shall be guilty of an offence and liable to imprisonment for not more than twenty years.

(4) In any prosecution under this section, if it be proved that the person charged has.

(a) attended meetings of an unlawful association; or

(b) spoken publicly in advocacy of an unlawful association; or

(c) distributed literature of an unlawful association by circulation through the Post Office mails of Canada, or otherwise,

it shall be presumed, in the absence of proof to the contrary, that he is a member of such unlawful association.

There is a whole batch of offences, much wider, I believe, than what is to be found in clause 41. Now, the Department of Justice and the Minister of Justice say that that whole series of offences contained in 97A and 97B are covered generally by what was in the Criminal Code before, under "Sedition" in its various aspects. As I have stated, if the Senate believes that that series of offences should remain in the Criminal Code, then what harm is there in proceeding first to declare, upon a simple question of procedure, that these offences that are mentioned in clause 41 of the Immigration Act shall not be left to the judgment or the discretion of any immigration agent, but shall go to the ordinary tribunals of this country? It seems to me that this position is very fair and logical. A few years ago there occurred a little incident that was most amusing. The Bill enacting section 41 had come into force in 1919, and I believe that in the Government of the day, as one of the legal luminaries, sat the Right Hon. Arthur Meighen. In 1921 it was decided to withdraw that enactment, and there before us, representing a Government composed of the men who in 1919 had passed that law, stood our old friend Sir James Lougheed, with his very kind and genial face. And my right honourable friend (Right Hon. Sir George E. Foster) was there, and so were the honourable gentleman from Moose Jaw (Hon. Mr. Calder) and my honourable friend the Ex-Minister of Labour (Hon. Mr. Robertson). But the Bill for the repeal of the law did not pass.

Hon. Mr. LYNCH-STAUNTON: But did the honourable gentleman know that Sir James Lougheed said in the Cabinet Council that he reserved his right to vote as he chose on the Bill?

Hon. Mr. DANDURAND: Perhaps so, but he presented it.

Hon. Mr. BUREAU: How did the information get outside of Council?

Hon. Mr. DANDURAND: It was defeated, but it had been brought in by the very men who had originated the provision which it sought to repeal. The Senate decided that it should remain. I remember—I can see the face of another departed Senator, the Hon. Mr. Bradbury, who was from Manitoba, and can hear his voice trembling with emotion at the idea that that legislation which had been

enacted in consequence of the movement in Winnipeg should not be retained on the Statute Book.

The Hon. the SPEAKER: I would draw the honourable gentleman's attention—

Hon. Mr. DANDURAND: I have finished. That is what happened in 1921 with regard to a Bill adopted unanimously by the House of Commons. I had forgotten that incident. In 1923, I think, I brought in similar legislation, and some honourable members said, "Oh, our old friend!" It was an omnibus Bill, and, as we were in Committee, I said, "We will postpone consideration of that clause." I said that it was not proposed by the Government, but came from the Commons, and somebody on the other side said, "It must be the action of some Bolshevik member from Winnipeg."

Hon. Mr. McMEANS: What?

Hon. Mr. DANDURAND: Looking at Hansard, I found that an amendment had been moved by the Right Hon. Arthur Meighen himself. So I am in fairly good company, my honourable friends will agree, and I hope that we shall take the second reading of this Bill and examine it in Committee.

I move the suspension of the sitting during pleasure.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Hon. 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 provide for changing the names of certain Pension Fund Societies.
An Act for the relief of Joseph Robert Crow.
An Act for the relief of Stanley Bennett.
An Act for the relief of Katherine Landon Foley.
An Act for the relief of Edith Annie Say.
An Act for the relief of Isabella Stewart Carmichael Wilson.
An Act for the relief of May Maud Mary Johnson.
An Act for the relief of Roland George Wickens.
An Act for the relief of Marjorie Durham Morgan.
An Act for the relief of Amber May Wolfenden.
An Act for the relief of Enda Beatrice Burley.
An Act for the relief of Bessie Hyde Lanyon Calhoun.
An Act for the relief of Bleecker Foy Maidens.
An Act for the relief of George Almon Wickett.
An Act for the relief of Mabel Ellen Barrett.
An Act for the relief of Mabel Victoria Westerby.
An Act for the relief of Morgan Hart.
An Act for the relief of James Arthur Breadon.
An Act for the relief of Marjorie Esther Splan.

An Act for the relief of Gladys Orme.
An Act for the relief of John Andrew Reid.
An Act for the relief of William Thomas Charlton Spence.
An Act for the relief of Gladys Lucie White.
An Act for the relief of Robert Stewart McIntyre.
An Act for the relief of Goldie Luella Russell.
An Act for the relief of Arthur Atkinson.
An Act for the relief of Lillian Edith Hudgin.
An Act for the relief of Mary Booth.
An Act for the relief of Bernard Ernest Sleeth.
An Act for the relief of Elsie Fray.
An Act for the relief of Cecilia Marrie Peters Kendall.
An Act for the relief of Elias Malky.
An Act for the relief of Ethel Beatrice Walker.
An Act for the relief of George Elgie Dulyea.
An Act for the relief of John Wilson.
An Act for the relief of John Sydney Wright.
An Act for the relief of Lillie Torrance Cascadden.
An Act for the relief of James Thomas Young.
An Act for the relief of Copland William Evans.
An Act for the relief of Arthur John Harman.
An Act for the relief of Annie Rebecca Herbert.
An Act for the relief of David Joseph Potter.
An Act for the relief of Walter Harold Bingley.
An Act for the relief of Ethel Harriet Little.
An Act respecting The Canadian Pacific Railway Company.
An Act respecting The Interprovincial and James Bay Railway Company.
An Act to incorporate The Pioneer Insurance Company.
An Act respecting The Pacific Coast Fire Insurance Company.
An Act respecting the Grand Orange Lodge of British America.
An Act to amend The Dominion Forest Reserves and Parks Act.
An Act to amend The Customs Tariff, 1907.
An Act to amend The Railway Act, 1919.
An Act to amend The Canadian Red Cross Society Act.
An Act to amend The Yukon Quartz Mining Act.
An Act respecting the Chicoutimi Harbour Commissioners.
An Act to authorize the raising, by way of loan, of certain sums of money for the Public Service.
An Act respecting trade relations with British West Indies, Bermuda, British Guiana, and British Honduras.
An Act to amend The Opium and Narcotic Drug Act, 1923.
An Act to incorporate The Canadian Dexter P. Cooper Company.
An Act to amend The Railway Belt Water Act.
An Act for the relief of Samuel Wexler.
An Act for the relief of Samuel Lehman Stouffer.
An Act for the relief of Robert Douglas Ian McLeod.
An Act for the relief of Mary Margaret McColgan Vinnette Graydon.
An Act for the relief of Alexander Charles Boyd.
An Act for the relief of Charles Day.
An Act for the relief of Albert Wilson Denning.
An Act for the relief of Margaret Lambert.
An Act for the relief of Jessie Patterson.
An Act for the relief of Ernest Ashton.
An Act for the relief of Evelyn Christine Stewart.
An Act for the relief of Ernest Love.
An Act for the relief of Charles Stanley Reed Riches.
An Act for the relief of Mona Aileen Davies.
An Act for the relief of Elizabeth Wright.
An Act to amend the Excise Acvt.
An Act to amend The Income War Tax Act, 1917

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

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

The sitting of the Senate was resumed.

IMMIGRATION BILL

MOTION FOR SECOND READING NEGATIVED

Hon. Mr. DANDURAND: If the discussion is over, as I think it is, we could perhaps put the question and then adjourn until to-morrow.

Hon. Mr. ROBERTSON: Although it is out of order, I would like to make one observation in connection with the closing remarks of my honourable friend. He referred to the late Sir James Lougheed as having introduced a Bill similar to this in 1921. I beg to recall to his memory the fact that I was the offender on that occcasion. It was I, as Minister of Labour, who introduced a Bill—not this Bill—proposing to repeal the Act of 1919 and to restore the Act of 1910. Now it is proposed to eliminate the Act of 1910 as well as the substitute of 1919. That was not the Bill of 1921. The late Sir James Lougheed voted according to his conviction; and he stated in the House that he had reserved the right to vote as he pleased. I say that in explanation of the remark of the honourable gentleman from Trois-Rivières (Hon. Mr. Bureau).

Hon. Mr. DANDURAND: I stand corrected in that regard.

Hon. Mr. HUGHES: If this Bill gets the second reading now, is it understood that it goes to a special committee for consideration?

Hon. Mr. DANDURAND: Committee of the Whole.

The motion of Hon. Mr. Dandurand for the second reading of the Bill was negatived on the following division:

CONTENTS

The Honourable Messieurs:

Aylesworth (Sir Allen),	Lavergne,
Béland,	Lewis,
Belcourt,	Murphy,
Buchanan,	Rankin,
Dandurand,	Robinson,
Farrell,	Ross (Moose Jaw),
Harmer,	Tessier,
Haydon,	Watson.—17.
Hughes,	

NON-CONTENTS

The Honourable Messieurs:

Barnard,	Fisher,
Béique,	Foster (Sir George),
Bénard,	Gillis,
Black,	Green,
Calder,	Griesbach,
Crowe,	Lynch-Staunton,
Daniel,	Macdonell,
Martin,	Schaffner,
McCormick,	Sharpe,
McLean,	Smith,
McMeans,	Stanfield,
Mulholland,	Tanner,
Pardee,	Taylor,
Planta,	Todd,
Pope,	Turriff,
Reid,	Webster (Brockville),
Robertson,	White (Pembroke).—35.
Ross (Middleton),	

Hon. Mr. COPP: Honourable gentlemen, I was paired with the honourable gentleman from Stadacona (Hon. L. C. Webster). Had I voted, I would have voted for the second reading of the Bill.

Hon. Mr. MacARTHUR: Honourable gentlemen, I was paired with the honourable gentleman from Shediac (Hon. Mr. Poirier). Had I voted, I would have voted for the motion.

Hon. Mr. TURGEON: Honourable gentlemen, I was paired with the honourable gentleman from Montarville (Hon. Mr. Beaubien). Had I voted, I would have voted for the motion.

Hon. Mr. BUREAU: Honourable gentlemen, I was paired with the honourable gentleman from Inkerman (Hon. Smeaton White). Had I voted, I would have voted for the Bill.

Hon. Mr. LESSARD: Honourable gentlemen. I was paired with the honourable gentleman from Nipissing (Hon. Mr. Gordon). Had I voted, I would have voted for the Bill.

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

THE SENATE

Wednesday, June 16, 1926.

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

Prayers and routine proceedings.

CANADA GRAIN BILL

SECOND READING

Hon. W. B. WILLOUGHBY moved the second reading of Bill 8, an Act to amend the Canada Grain Act.

He said: Honourable gentlemen, the important if wholly unsought privilege and duty of presenting this proposed Bill to the House has fallen to me. I am so interested in the success of it that I wish that the task of presenting it to this House had fallen on more competent shoulders. I can only crave your indulgence in my discussion of it, which will not be long. You realize that I am not a grain expert; but, in a long residence in the province of Saskatchewan and with some practical experience in the growing of grain, I have been in touch, I think, with the prob-

lems of the farmers out there and can, to some extent at any rate, justify to this House the introduction of the Bill now on the Order Paper.

This is another step forward, honourable gentlemen, in the process of co-operation. Let me read to you an extract on what has been taking place in a kindred nation with regard to the movement in favour of co-operation, particularly co-operation in marketing, among farmers and agriculturists of all kinds who are not grain-growers; for much more rapid progress has been made in the United States than we have made in Canada, and the attention of the Government at Washington, during the present Session and at every Session in recent years, has been directed to very important agricultural legislation. This short extract, dealing with the question of co-operation, will show the view of the American Secretary of Agriculture in 1925:

> The most distinct and significant movement in American agriculture in this decade is the almost universal trend toward co-operation in the marketing and distribution of farm products. It is in no sense a regional or sectional movement, for it exists in all sections and is participated in to some extent by producers of practically all kinds of farm products.
>
> There has been some co-operation by farmers in the United States for many years, but within the last two decades, and particularly during the last decade, the movement has assumed proportions which indicate that it is a response to a fundamental and universal need of present-day American agriculture. It is highly significant from all points of view that the best minds in agriculture, without regard to region or commodity, are unanimous in the opinion that group action in marketing must be added to individual efficiency in production if the high standards of American farm life are to be preserved and agriculture is to maintain its proper place in our national life.

Here is another short extract:

> Although co-operative marketing is a farmers' movement, it is not in any proper sense a selfish class movement and holds no menace either to consumers or other business interests. Agricultural production is essential to national welfare, and the only guaranty of an adequate and dependable supply of agricultural products is a prosperous and contented agricultural population. It is obvious to any thoughtful mind that this happy result cannot be obtained by agriculture unless it avails itself of the efficiencies and economies of organization and specialization which characterize other industries in this day. Consideration alike of intelligent self-interest and public welfare must prompt other classes to support wise and intelligent efforts of farmers to place their important industry upon a basis of stability and prosperity.

Let me give you a most striking illustration, from the Province of Saskatchewan, of the desire for co-operation on the part of the farmers of to-day. There was founded in the year 1911, or in 1912—I am not sure of the exact date—in Saskatchewan, a system of farm marketing of grain. A Commission had been appointed by the Government to investigate the elevator problem. The Province of Manitoba had established Government elevators. The Government of Saskatchewan, not being sure that the system of Government elevators was the most judicious one, thereupon appointed a Commission, and the Commission reported in favour of the establishment of a system of farm elevators which was in some phases on a co-operative principle. There evolved eventually the Saskatchewan Co-operative Elevator Company, a company which was comparatively small in its beginnings, but has grown to very large proportions. The Government originally contributed 85 per cent of the cost of building the elevators. The other 15 per cent was contributed by the farmers. The Government was properly secured in the interval, and the indebtedness for the Government advances on account of the building of these elevators was repayable out of the earnings from time to time. Indeed, the Government of Saskatchewan went very much further. During the time I had the honour of being a member of the Legislature of that Province we made trading advances to that same company. In one year they aggregated four, five, or six millions of dollars. So it is apparent that the Province of Saskatchewan regarded the co-operative elevator enterprise as a wise one, to be aided by public funds, or in any event by the credit of the Province.

However, that company was, like the United Grain Growers Company, in Manitoba, established on the principle of share capital. The shareholders in both Provinces were to be limited, and were in practice limited, to actual farmers. In the Province of Saskatchewan I think that requirement was very strictly adhered to. Farmers' locals were in existence throughout the Province, and the farmers agreed among themselves, after a certain acreage of grain production had been promised, to establish a local and build an elevator on the spot, and they did so. The enterprise has proceeded from smaller to bigger things, and that company in this present year has at the head of the Lakes terminal facilities for about 15,000,000 bushels. It has built at Buffalo an elevator with a capacity of 1,100,000 bushels, and is making an addition to it this year of 900,000 bushels. I am illustrating the fact of the very rapid growth of the business. The members of the company all are farmers. You were required to be a grower of grain before you could join, and that requirement has remained, until now and it is in the hands of the farmers themselves. But it was founded and operated on the principle of company ownership of shares. You became a

subscriber for a share or shares, the number being limited, and, if the enterprise were profitable, as it has turned out to be, you were to receive dividends on your shares, which would be credited to your stock. The Manitoba organization, the United Grain Growers, is operated on a similar principle.

Now what do we find? This company, successfully operated over a period of years, and composed of farmers, have by their own act committed hari-kari. Negotiations were in progress for a considerable time between the pool in Saskatchewan and the Saskatchewan Co-operative Elevator Company, and they finally reached the stage where the Saskatchewan Co-operative Elevator Company convened its shareholders and by a majority of about 85 per cent of the shareholders of that company voted to go out of existence and sell their undertaking to the Wheat Pool.

Why did they do that? Not because they had not been successful, for they were at all times successful; and I think that on the whole they had given reasonable satisfaction to the farmers of Saskatchewan. But most of the members held that that was not true co-operation among formers; that the principle of individual shareholders, as we find it in joint-stock organizations, should not prevail in a truly co-operative system of marketing. That would best illustrate the movement of the Grain Growers of Saskatchewan in dealing with the marketing of their grain.

The pools, as you know, have been formed. In Alberta, I think in 1923, the pools came into limited operation. In Saskatchewan and Manitoba they have been in operation in 1924 and 1925. At first they were confined to the marketing of wheat, the great staple. Now, I know there is a pool in Saskatchewan, I think there is one in Alberta, and I think, without knowing for sure, there is one in Manitoba, dealing with the coarse grains. The pool system is based on the lines that I have mentioned in reading the quotation from the report of the American Secretary of Agriculture, recommending that there should be the true spirit of co-operation and that one should not gain at the expense of another, and that joint earnings should be pooled and distributed according to the grain supplied to the pool.

I have heard it said on the outside that the Saskatchewan Elevator Company, now out of existence, as I have mentioned, was not loyal to the best interests of Canada in building a terminal at Buffalo, which is being extended this present year from a capacity of 1,100,000 bushels to a capacity of 2,000,000 bushels. I confess, honourable gentlemen, that when I read first of the Saskatchewan Co-operative Company building that terminal at Buffalo, it gave me a considerable shock, as it might give to any honourable member on hearing of it. It did look as if we were trying to build up the marketing of our grain through American channels.

Not merely since this Bill came before the House, but many months ago, I began to investigate the matter a little for my own satisfaction. I found, as the fact is, that a very large quantity of our Canadian grain is every year shipped through Buffalo. It has been so shipped, and will continue to be, notwithstanding pools or any other system. We have never been able to ship all our Canadian grain through our own channels. I wish the time would arrive when it would be possible to ship by Canadian routes, but it is not in the immediate future in any event. All we can hope for in that connection is that from year to year a greater quantity of Canadian grain may find its outlet through Canadian ports.

The elevator built at Buffalo is virtually a transhipment. It can be used for the purpose of shipping grain to New York, or to Philadelphia, or to Baltimore or to any other American port, but its primary use is in feeding the vessels going down the Welland Canal and on down to Montreal. There is an immense amount of transhipment, as we know, at Port Colborne, of grain going by our own routes, and there has always been a considerable amount of grain transhipped at Buffalo to go by Canadian channels.

I am advised, and I have no reason to doubt, that the quantity of pool grain leaving Canada for export purposes bears quite as large a percentage to the whole as does that shipped by the private elevator companies, so there is no discrimination against Canada in this business. I am also advised, with what correctness I do not know, that all of the grain shipped from our two Maritime terminals has been pool grain. As a matter of fact, in practical operation, the pool is freer to ship its grain in any direction than is the private terminal. The pool does not buy the grain from the farmers; it is merely their agent for the selling of the grain. The ordinary elevator company is a purchaser of grain, and of necessity is a very extensive borrower from banks; it has very large banking operations every year on behalf of the grain trade, to finance the purchase of grain; and we know that the banks, as a commercial necessity, require hedging—a term which I need not

explain to the honourable gentlemen of this House—in order to make the very large advances, and that hedging is a necessity at the head of the Lakes.

Hon. Mr. CASGRAIN: The honourable gentleman had better state what hedging is.

Hon. Mr. WILLOUGHBY: It is simply a protection against loss by the bank. The pool is an agent, not a buyer, and therefore does not need to hedge, because it has not to borrow money. the only money it needs is for the payment of railway charges and that kind of thing on the road to terminals, and initial advances, so that it is perfectly free to ship its grain out, unrestricted or unrelated to hedges. The grain company, having hedges which call for shipment to the head of the Lakes, has its grain delivered at a point where there are American competition and American vessels, as well as Canadian competition and Canadian vessels.

Hon. Mr. SHARPE: Where do they get the money?

Hon. Mr. WILLOUGHBY: They have to borrow it, but they do not need to borrow 100 per cent, and they do not need to hedge.

Hon. Mr. DANDURAND: My honourable friend had better explain the word "hedge," as that word seems to play an important role, and it is the first time I have heard the expression.

Hon. Mr. WILLOUGHBY: It is the selling of a quantity of grain against what you buy, so that there is only the spread of the market between, if it goes up or down. It is a method of protection which is absolutely recognized in the grain trade, and required by the banks. My honourable friend from Stadacona (Hon. L. C. Webster) reminds me that it is not confined to the grain trade, but the custom is followed in other great staples like sugar and other commodities.

The growth of the wheat industry in the Northwest, that is, in the three prairie Provinces, has been wonderful, so much so that I am not going to pretend to tell the story, because I think every member of this House knows it. Suffice it to say that the rather buoyant exports from Canada during this last year, 1924-25, owe their round figures, to a very large degree, to the grain crop of the Northwest, and we have by no means reached the limit of development. There are enormous areas in the three Prairie Provinces, speaking of them only, that are capable of growing grain, as well as other portions already under cultivation; and as the years go on, if the world markets warrant the expansion of the grain-growing area, there is no reason why the production in those Provinces should not be three times what it is now, in the course of the next 10 or 20 years, or even less time than that. Of course, that will be determined to a very large extent by world prices; but I venture to predict that those prices will continue on the same scale as they were in 1924, and again in 1925, there will be a very large extension, because in the last two years grain-growing has been a profitable business.

Away back in 1900, when the amount of grain grown was a mere bagatelle in quantity compared with what it is at present, the country recognized the desirability of regulating this industry by an Act of this House which went into force, called the Manitoba Grain Act, which is a very extensive code, dealing with the whole business of marketing grain. That Act remained on the Statute book until 1912, with certain alterations in the interval; and the last-mentioned Act remained until our Act of 1925, again with some modifications. It is under the Act of 1925 that it is necessary, in my opinion, to introduce the amendment which I propose to read to the House later.

In 1900 there were no private terminals at all at the head of the Lakes. At their inception terminals were furnished by the railways. In 1904 the first public terminal was established, and in 1907 the first private terminal. Then, in 1912 we had the Act brought up to date, and we provided for the establishment of sample markets, an absolutely new development in Canada. Those familiar with the grain trade know that the sample market is the usual mode of selling in the Northwestern States. Grain is sold for what it is worth on inspection, presumably for what it is worth on its milling value. It was hoped in 1912 that the Act providing for sample markets would go into force, but it did not become operative for the main reason that there was not enough competition between buyers to make the sample market a great success. At Minneapolis, St. Paul, and many other grain centres in Minnesota, and through the middle Northwestern States, there is the most active competition by a large number of buyers, so that selling by sample has proved very lucrative to the farmer.

Everyone who is familiar with the grain trade knows that the actual grade, 1, 2 or 3, or whatever it may be, does not always represent the milling value; that it has another intrinsic value added to that, often up to 10 or 15 per cent more than the actual grade

value would indicate, due to climatic conditions, soil, and other elements. With the advent of the sample market came the establishment of the mixing house. Under the old Act the mixing of grain in terminals was strictly forbidden.

Then we get a new development which, in the long course, has brought about the necessity of this proposed legislation. Many private companies established mixing houses at the head of the Lakes, and also at Vancouver and other places, I think. In mixing houses, as the name implies, there is the right to mix grades of wheat, which mixing was absolutely prohibited previously. All the grades may be advanced; a man might have a very poor No. 1 and a very good No. 2, according to the grade, and by judicious mixing there would result a very considerably increased quantity of No. 1, though perhaps of low grade, but by that system of promotion, or raising the grade by mixing, there would be realized a spread of 3 to 6 cents in the price.

Hon. Mr. BELCOURT: Is there any limit to that changing of a No. 2 grain to No. 1?

Hon. Mr. WILLOUGHBY: I suppose there is a physical limit to it, of course, because it might fall below the standard, which is strictly limited. Grade No. 1 must bear a certain standard fixed by the Grain Act; the standard of Grade 1, 2, 3 and others is fixed by weight and other requirements.

There have been many Commissions investigating the grain business, the most elaborate one being that presided over by Mr. Justice Turgeon, of the Saskatchewan Appeal Court. Its work extended over a year, and various bodies were represented on it; and the report made by the Chairman, Mr. Justice Turgeon, with some slight exceptions, is embodied in the Act now on the statute book, chapter 33 of 1925. In making his report, the Chairman came to Ottawa and conferred with the Grain Commissioners, and he suggested the change which is causing the present Bill to be brought before the House. The old Act as it stood before the amendment, the Act of 1912, section 159, subsection 2, provided for the elevator company giving a warehouse receipt showing the gross and net weights of the grain, and it went on to provide that the grain mentioned in such receipt and received into store might be shipped, if either party so desired, in quantities not less than carload lots on track at any terminal elevator in the Western inspection division—that is, west of the Great Lakes—on the line of railway, and so on.

Honourable gentlemen, in the face of that, it would appear that either party might have the right and privilege of shipping into whatever terminal he saw fit in that inspection division. Mr. Justice Turgeon in his proposed amendment changed it to read: "If he so desires"—meaning the farmer; thus taking away the option from the elevator company to say to what elevator it should go. That is the whole change. However, this House did not follow the suggestion of the Chairman of the Commission, nor did the Commons, and they restored the Act, not in this form, but in the form which I am going to show you, which is what we are complaining about.

I am advised that all the farmer members of the other Chamber, in the Agricultural Committee of 1925 and 1926, took one point of view, namely, that the elevator company had never interfered with the right of the individual farmer to ship his grain to whatever company he preferred at the head of the Lakes; and I am informed that that statement was not controverted. That was the practice, notwithstanding that is says that if either party so desired that might be done. In actual working out the farmer was the man to dictate, if he saw fit to exercise his option, and the company never refused to accede to the exercise of that option on the part of the farmer. If the farmer said nothing, the elevator company did what you or I or anybody would do—shipped it to their own terminal; but once the farmer made known his selection of an elevator, the company in practice always adhered to it. That practice has been universally recognized, and has been the ordinary one in vogue. Therefore, if that statement be correct—and I have no reason to doubt its correctness, whatever the legal interpretation of that particular language may be—the farmer did think he had the right to ship his grain to whatever terminal he selected. All we are asking is that that right be restored to the farmer. It is his grain after all, honourable gentlemen. It is surely fundamental, in dealing with the products of any man, that he should have the right of directing all the necessary operations required to put that commodity on the market.

The elevator companies think that this is going to work great hardship on them. I will discuss that presently. They think they are going to lose profits. Well, there are many things that the elevator companies do, and I am not here to criticize them; they are just as human as you and I, if we were operating such a company. But we do know, according to the report made by Price, Waterhouse &

Company in connection with the overages that were found in the terminals at the head of the Lakes, and other terminals, what enormous profits the grain trade did make out of the handling of the farmers' grain for which they were not obligated under the law to account at all. They fell heir to that legally. There was no fraud or impropriety about it; they followed out the Act, and it resulted in enormous gains to them. In the Grain Act we have attempted to deprive the companies of the overages at the terminal points. An overage is an excess of grain coming out of an elevator of a grade higher than the quantity taken in of dust grade. Also an excess in bushels of grain. If a greater amount came out than had gone in, presumably it would be because of the promotion of lower grades. In the year 1912-13 there were overages valued at $815,135; in 1913-14, $728,175; in 1914-15, $526,294; in 1915-16, $1,187,604; in 1916-17, $2,047,159. That money ought to have been the money of the farmers.

Now there is another way that the grain companies can get a benefit at the present time beyond any shadow of doubt.

Hon. Mr. BEIQUE: Before the honourable gentleman takes up that point, I would like to ask for my own information whether there was any legislation to prevent the farmers getting the benefit of this overage?

Hon. Mr. WILLOUGHBY: I would not say that there was not, but they never got it.

Hon. Mr. BEIQUE: There was no legislation passed?

Hon. Mr. WILLOUGHBY: I am glad the honourable gentleman has called my attention to that. Legislation was subsequently passed providing that the overage should not exceed one-quarter of one per cent. That legislation was attacked in the Province of Manitoba as dealing with property and civil rights. There was a surplus in the elevator, and the commission took a percentage of that grain and used it for the purpose of operating the Act. I have the section here if the honourable gentleman cares to see it. The grain company said, and the court upheld their view, that the legislation affected property and civil rights, and the court decided that grain belonging to the grain companies could not be appropriated by a Dominion Act, and held the law to be invalid, and, so far as I know, there is no Dominion law against overages, i.e. depriving the owners of the grain of the overages—but they were and are all credited to the farmers.

Hon. Mr. BEIQUE: Is there any Provincial law?

Hon. Mr. WILLOUGHBY: I think not. I do not think any has been enacted since the Dominion legislation was held to be ultra vires.

Hon. Mr. BEIQUE: When was the judgment rendered on that question?

Hon. Mr. WILLOUGHBY: It must be about three or four years ago. I am not sure, but I think the case went to the Privy Council. My attention was drawn to it, not by reading the legal report, which I have not done, but by reading the newspaper reports.

Any grain company handling grain at Winnipeg or Vaucouver or at other points, is only obligated to account to the farmer for the grade of grain taken in at the country elevator. It can be graded when it goes in, subject to dockage, and when it gets down to Winnipeg it is inspected. Now, what the farmer wants is to get the same grain delivered at Winnipeg or at other points that is taken in in the country. All he can do is to take his receipt from the country elevator and compare it with the receipt from the elevator at Winnipeg, and if he gets an equivalent grade, the elevator company says: "Our duty is discharged." I say the fact is that large quantities of that grain reaching Winnipeg are sold and diverted before they reach the head of the Lakes. Millers—and I happen to have some clients among them—can go and see the grain at Winnipeg, and they are experts, and can judge by the eye, and they find that certain carloads of grain coming in are very superior No. 1, or very superior No. 2 or No. 3, and they buy it and pay a premium for it. Grain is constantly being sold between Winnipeg and the head of the Lakes for a premium. I think the ordinary premium is about one cent for sale to millers. I say that is the farmer's money, and that he should get it.

There is another perfectly legitimate method of making money under the Act, and that is by means of what is called cash wheat. Everybody in the West, at least, knows that there is always a premium on cash wheat—wheat that is ready for lake shipment, wheat that is available to fill up a boat that perhaps has difficulty in finding a cargo. We all know the high cost of keeping a vessel unduly long in any harbour. The charterer wants to get his vessel filled and out of the harbour as quickly as possible. Finding that he is short a certain quantity in his cargo, he pays the elevator company a premium for the purpose of getting grain to fill his vessel so that she may get away, and very large sums are realized in that way, which, again, should belong to the farmers.

The elevator companies should be confined to a reasonable charge for handling the grain, for the services performed as warehousemen. They should be paid what it is worth, and if what they receive is not enough, the charge should be increased; but they should account for every cent realized by the product when it is sold.

Now, I am going a little further. It is said that if you restore the law according to the suggestion of Judge Turgeon, and say that only the farmer can direct where the grain is to be shipped, he will ship it all to pool elevators. No doubt he will give the preference to the pool elevators. The private elevator owner says: "I bought this grain at my country terminal, and I do not want it shipped to the pool elevator, I want it shipped to my own. I want to make the profits from handling it in the country; I want to make the profits from handling it in Winnipeg, either from mixing it or from the terminal charges." He says: "If you, Mr. Pool Man, ship it to the pool elevator at the head of the Lakes, with inspection at Winnipeg, I have lost control of it and do not know what is done with it, and under the Grain Act I am obliged to account for the amount of the warehouse receipt I have given. If there is any leakage in transit I will have to make it good, and if the grain is consigned to a pool terminal I have no opportunity to be present to see if there is any leakage in the car, and thereby have recourse against the railway company." As far as I could see on the spot, there is nothing in the world to prevent the companies having their agents at the head of the Lakes go to see whether the shortages that they claim exist or not. In only a very small percentage of care will there be a leakage. As I am informed, the Chief Grain Inspector says that if any private country elevator consigns grain to a pool elevator at the head of the Lakes and marks on the shipping bill "advise John Jones" e. g. he will see that word is given of the condition of the car. That is a complete answer to the argument that those engaged in the grain trade will not know the condition of the cars on arrival, and therefore should not be held responsible.

Right Hon. Sir GEORGE E. FOSTER: What about the happenings in the terminal after the grain is unloaded and weighed, and over which they have no control?

Hon. Mr. WILLOUGHBY: The grain is weighed into all those terminals by a Government weighmaster, whose weight must be accepted as correct.

Right Hon. Sir GEORGE E. FOSTER: As far as the weight is concerned that is correct; but when the grain gets into the pool elevator, what about the things that may happen before it is weighed out again?

Hon. Mr. WILLOUGHBY: It might deteriorate in quality, or it might heat, or a number of things; but it goes in under Government weighing. That is all they have to account for. I am only dealing now with what might have happened the car in transit from say Winnipeg to the head of the Lakes. I say the private company is absolutely in a position to protect itself.

It is said that by this Bill we are confiscating the property of the private company. To me "confiscation" is an ugly word, and I will vote for nothing in this House that I think smells in the remotest degree of confiscation. If I were satisfied that this Bill meant confiscation, I would not be the spokesman for it.

Honourable gentlemen will realize that there are three different kinds of elevators, three different ways of handling grain. There are the track platforms provided for under the Grain Act, which are scattered about all over the West, and which have been in existence from the very beginning. They offer only a very limited capacity, a couple of cars at most at one time, because of the shortness of the track. The track platform was demanded in the first instance because the farmers were not wholly satisfied with the honesty of the operation of the elevators. I make no charge of that kind. I am not dealing with that phase of the question. The point was raised that the grain placed in a car should go to a Government elevator and be inspected there without being mixed. These loading platforms take care of but a very small fraction of the grain, perhaps ten per cent of the grain of the Prairie Provinces.

Hon. Mr. DANDURAND: Then that ten per cent remains under the control of the farmer, and he can direct it wherever he pleases.

Hon. Mr. WILLOUGHBY: Yes.

Hon. Mr. BELCOURT: Cannot he do that in the private elevator? Cannot he get a bin for himself?

Hon. Mr. WILLOUGHBY: Yes, he has the privilege of special binning too when there is room for it, but it is not always available.

Hon. Mr. BELCOURT: What is the average of the grain in special bins?

Hon. Mr. WILLOUGHBY: Oh, it is a small proportion, quite a small proportion. I have not got the figures.

The pool elevators at the very least have got fifty per cent or sixty per cent of all the grain of the Prairie Provinces. By some people the proportion is put higher than that. On the other hand, they have a surplus of wheat and a shortage of elevators. The result is that they cannot ship their own wheat through their own elevators. Economically, perhaps, that is fortunate, because it is a recognized fact in the grain trade that there is an excess of elevator capacity in the West which has been built up by the competition of grain men anxious to buy grain in the country so as to have an opportunity of handling it in Winnipeg and at other points before it is sold.

Hon. Mr. DANDURAND: I take it that grain that goes into the pool elevators can be directed by the Pool to the terminal elevators.

Hon. Mr. WILLOUGHBY: Absolutely. Speaking from memory, 825 elevators belong to the pool, and 4,292 to the companies.

Hon. Mr. BELCOURT: May I ask if under the pool the special binning and loading platform are dispensed with or are available? Are the loading platform and the special binning available to the farmer who deals with and through the pool?

Hon. Mr. WILLOUGHBY: Oh, yes, I should think so. I do not know why he would use the loading platform, yet I do not know why he might not use it. If he ships his grain to the pool, that is all we care about. On principle I think the loading platform is for all farmers.

Hon. Mr. BELCOURT: I was under the impression that the farmer who dealt with the pool had to agree that his grain would be mixed with everybody else's grain and the whole quantity would be shipped together.

Hon. Mr. DANDURAND: In the pool?

Hon. Mr. BELCOURT: In the pool. That he would not have the advantage of having a special bin for himself so as to keep his grain separate and apart, nor would he have the advantage of the loading platform.

Hon. Mr. WILLOUGHBY: The special bins relate only to the country elevator. There is no special binning at the head of the Lakes. Undoubtedly the pool farmer could ship his grain through the country elevator to the pool, and all they care about is to get the handling at the terminal.

Hon. Mr. BELCOURT: Perhaps I did not make myself plain. I may be wrong, for I do not know very much about this matter, but I understood that the farmers who dealt through the pool, who delivered their grain to the pool for trans-shipment to the terminals, were deprived of the advantage of the loading platform or of the special bin, because the operations of the pool did not permit the resort to either one or the other.

Hon. Mr. WILLOUGHBY: I do not think that there is anything in either of those statements.

Hon. Mr. SCHAFFNER: No.

Hon. Mr. WILLOUGHBY: All that the pool are concerned about is to get the grain shipped to them. It is a matter of indifference to the pool whether the grain goes to special bin or over the loading platform. The pool want to get, if possible, the handling of the grain at the terminals.

Hon. Mr. BEIQUE: The honourable gentleman has given us the number of elevators owned by the private companies and the number owned by the pool.

Hon. Mr. WILLOUGHBY: Yes.

Hon. Mr. BEIQUE: Will he give us the number of terminal elevators owned by the pool, and the number owned by the private companies at the head of the Lakes?

Hon. Mr. WILLOUGHBY: I can give you the capacity.

Hon. Mr. BEIQUE: The capacity, then.

Hon. Mr. WILLOUGHBY: Belonging to the pool there is a capacity of about 15,000,000 bushels at the head of the Lakes, or about 20,000,000 in the aggregate, including Buffalo, Vancouver, Prince Rupert, etc. There is a capacity of about 62 or 64 millions in other terminal elevators.

Hon. Mr. SCHAFFNER: No.

Hon. Mr. WILLOUGHBY: No; the total is 72 millions.

Hon. Mr. BEIQUE: At the head of the Lakes, 72 millions against fifteen?

Hon. Mr. WILLOUGHBY: As a matter of fact, I have the figures in percentages. The pool claim to have 28 per cent of the total terminal space, and their terminal facilities all told, at the various points, accomodate about 20,000,000 bushels. They got a capacity of 15,000,000 bushels from the Saskatchewan Co-operative alone.

Hon. Mr. CURRY: I see it was stated in the Commons by Mr. Campbell that the capacity at the head of the Lakes is 64,700,000 bushels.

Hon. Mr. WILLOUGHBY: I have no doubt that Mr. Campbell's statements are quite correct. If you figure out the percentage, you will find that about 28 per cent of all the terminal facilities are the property of the pool.

When the honourable gentleman asked me a question, I was intending to deal with this other phase, the extent to which the private elevators would lose in the handling of grain. The pool, having only 28 per cent of the terminal facilities, and having at least 50 to 60 per cent of the wheat, are of necessity unable to handle it all through our own country elevators. The result is that the pool members are at liberty to ship their grain to the pool through company elevators, because there are innumerable points throughout the West at which there is no pool elevator at all. It is necessary therefore to ship to the company elevator, and they pay that company elevator very well.

I will tell you what the figures are, but I am going to work out another problem for you, if I may, in the meantime.

Before answering those questions I had said that 90 per cent of the total quantity of wheat went through country elevators, and that 10 per cent was shipped over loading platforms. Let us suppose that the pool grain represents 45 per cent of all the grain in the country elevators. That is putting it at the minimum, for the pool claim they have more than that. Of the 90 per cent one-fifth, or 18 per cent, is pool grain passing through pool country elevators. Deducting 18 from 45, we see that the quantity of pool grain passing through the non-pool country elevators is 27 per cent.

Analyze again the street wheat; that is, less than carload lots. The quantity of street wheat we will put at 50 per cent of the whole, because Mr. Justice Turgeon and the Grain Inquiry Commission in their report stated that the quantity of street wheat was at least that. The quantity of pool wheat in that represents 25 per cent of the whole, for the pool have at least half of the street wheat. The pool's street wheat going through the pool's country elevators—for they have only one-fifth of the total number—is 10 per cent. Thus you find the quantity of pool street wheat going through non-pool country elevators is 15 per cent.

	Per cent
Pool grain through non-pool country elevators	27
Pool street wheat through non-pool country elevators	15
Pool car lots through non-pool country elevators	12

That twelve per cent is the very maximum. My instructions are that an even lesser quantity will be affected if this Bill goes into force as we are asking. Only about 12 per cent! There is no confiscation in that. The profits made by the non-pool elevators will be affected only in a minor degree.

But the country elevators are being decently treated. I have before me the agreement made between the pool and the elevators, and it expressly makes provision for the rates allowed to the country elevators for their services. They get now for handling street wheat 5 cents a bushel.

Hon. W. B. ROSS: Who gets that?

Hon. Mr. WILLOUGHBY: The private company.

Hon. Mr. BELCOURT: Would my honourable friend tell us what street wheat is?

Hon. Mr. WILLOUGHBY: Street wheat means wheat sold in less than carload lots.

Hon. Mr. McMEANS: In wagon loads.

Hon. Mr. WILLOUGHBY: Wagon loads. That is what is meant by street wheat, and the elevator company is paid a very handsome rate: it is paid 5 cents a bushel on No. 1 Northern, No. 2 and No. 3 Northern, and 6 cents a bushel on all other grades of wheat; 4½ cents a bushel on all grades of oats; 5½ cents per bushel on all grades of barley and rye; 10 cents per bushel on flax. So the elevators are paid very handsomely for what is known in the trade as street wheat.

Hon. Mr. BELCOURT: Does that apply to all elevators?

Hon. Mr. WILLOUGHBY: Yes.

Hon. Mr. BELCOURT: Those in the pool and those out of it?

Hon. Mr. WILLOUGHBY: The pool in Manitoba does not charge anything extra for street wheat. There is no deduction made at all for handling it; and I believe that in Saskatchewan if there is a deduction, the consensus of opinion is that it should not be continued, because it is not in accord with the co-operative principle. The poor, struggling

farmer, who can least afford to have deductions, should get every cent there is in his grain. His argument is: Why should you take 3, 4, 5 or 6 cents off for handling his grain simply because he has not enough to make up a carload, while his richer neighbour, who has enough, does not have that deduction made? In Manitoba the spirit of co-operation is shown. There the pool say: "We will not take the 3, 4, 5 or 6 cents off the farmer. We will not make that deduction, but we will give the same price to all, whether the wheat is taken in as street wheat or taken in as pool wheat."

Hon. Mr. GILLIS: Whether they are in the pool or not?

Hon. Mr. WILLOUGHBY: I think so, but I am not sure.

Hon. Mr. BEIQUE: Do I understand the honourable gentleman to claim that the rate is too high? If that is his contention, I think it would be for the Board to reduce the rate.

Hon. Mr. WILLOUGHBY: In answer to the honourable gentleman I may say that under the Act, the Board has the right to fix the rates charged for elevating, for taking care of the grain, and for shipping it out, and it has fixed the rate at 1¾ cents per bushel. But the pool, in order to get the benefit of some assistance from the private elevator companies, not only pay them the 1¾ cents, the maximum that is chargeable under the Grain Act, except for special bin wheat, which is 2½ cents a bushel; but, by arrangement with them, they pay in addition a contractual rate of three-quarters of a cent, which they do not charge their own people. I have here the contract containing that specific provision. The pool are charging 1¾ cents themselves, and the pool farmer who goes to the private country elevator, instead of paying 1¾ cents, has to pay 1¾ cents plus ¾ cents for the benefit of getting the street wheat put through the elevator.

Hon. Mr. TANNER: Are those rates fixed by the Grain Commission?

Hon. Mr. WILLOUGHBY: No; that three-quarters of a cent is fixed by business arrangement between the pool and the private companies. The rate of 1¾ cents is fixed by the Commissioner.

Hon. Mr. BELCOURT: Will my honourable friend, before sitting down, permit me to suggest to him that he might give us an explanation and his view with regard to the claim which has been made that the profit in handling the grain is made, not in the elevator, but between the elevator and the terminal, and that if the elevator is not allowed to ship the grain to the terminal with which it is in connection, or has some relation, the elevator part of the business cannot be run except at a loss?

Hon. Mr. WILLOUGHBY: That is the country elevator?

Hon. Mr. BELCOURT: The country elevator, exactly. The country elevator cannot be operated without a loss, it is said, unless it is operated jointly with some terminal with which it has an agreement or understanding of some sort.

Hon. Mr. WILLOUGHBY: I doubt very much, from what I have learned, that the country elevator, if it is honestly run, makes very much out of the 1¾ cents; perhaps it costs that or more to handle the grain; but I think it is rarely that the country elevator at the end of the year has a shortage. Such marvels happen, I suppose, but in any event I have not heard of them. If the rate of 1¾ cents on the bushel be not an adequate rate to compensate the private elevator company for the services of the country elevator, the right to increase that rate and make it adequate lies with the Grain Commission, and, as I understand, they have signified, though not perhaps in a formal way, that if it is inadequate they are perfectly ready to increase it. I think that is a sufficient answer.

Hon. Mr. HUGHES: Have the country elevators ever asked for an increase?

Hon. Mr. WILLOUGHBY: Not that I am aware of. In fact, speaking from my personal observation, I do not think the big grain companies desire an increase in the country elevators. There are too many of them now. If you did increase the rate you would have an army of small merchants, retired farmers and persons of that class going into the elevator business themselves, for they could run it more cheaply perhaps than a company, and it would afford them a means of utilizing their leisure time and give them some work to do in the winter.

Honourable gentlemen, I will not continue further. The subject is a wide one. I have tried to touch upon its salient aspects and to give you my conception of the problem confronting us and the justice to the farmer of acceding to his claim. Let me repeat what I have already said in answer to my honourable friend opposite, that if the 1¾ cents be not an adequate rate in connection with the country elevator, the Grain Commission can

increase the rate so that it will properly compensate for the services rendered. But let the farmer get any extra value out of his grain due to its quality. Let him obtain premiums such as are now gained by these companies in diverting grain between Winnipeg and the head of the Lakes. It is the farmer's money and it should go to him. As in any other system of marketing, or in other spheres, the compensation should go to the person who performs the service, and it should be commensurate with the value of the service rendered.

I was nearly forgetting that there is an amendment to this Bill. I will take the liberty of explaining it.

Hon. W. B. ROSS: Before the honourable gentleman leaves that, I would like to ask one question. Take a point where there is a pool elevator and a line elevator. The pool elevator works with its terminals. The line elevator that has hitherto worked with its terminal elevators is cut off, we will say, rightly or wrongly, and you compensate it by allowing it to charge more. Would not that have the effect, in competition with the pool elevator, of driving all the wheat to the pool elevator and eliminating the line elevator, which is charging more for taking in the wheat?

Hon. Mr. WILLOUGHBY: Yes; if you charge a higher price for service rendered at the country elevator than is charged at the pool elevator, it will undoubtedly have that tendency.

Hon. W. B. ROSS: Ultimately the line elevator would be killed.

Hon. Mr. WILLOUGHBY: You could not kill them, for the very reason that there is only a small proportion of pool elevators, and they are not desirous of building more. It would be an unnecessary duplication of expense. There are far too many elevators in the West at the present time.

Hon. Mr. ROSS: That would be true if it were guaranteed that the pool would never build another, but the pool is the richest thing in the Northwest and could build 200 elevators between now and harvest time.

Hon. Mr. WILLOUGHBY: Well, legislation of this kind will drive the pool into building other elevators and will be the most shortsighted policy the companies could adopt. They could put them out of business. Do not provoke the lion to exercise its strength. I was going to deal for a moment with the amendment that has been proposed. It was introduced in the other House.

Hon. Mr. DANDURAND: It has been proposed where?

Hon. Mr. WILLOUGHBY: In the other House.

Hon. Mr. DANDURAND: Is it in the Bill?

Hon. Mr. WILLOUGHBY: It is.

Hon. Mr. GORDON: It is section 2.

Hon. W. B. ROSS: That is the Moose Jaw amendment?

Hon. Mr. WILLOUGHBY: The Moose Jaw amendment. When the Bill was reported from the Committee on Agriculture in the other House, the honourable member for Moose Jaw moved an amendment to subsection 2 of section 193 of the Grain Act. I will explain what the amendment means. Seeing that it comes from Moose Jaw, I think it ought to be all right, although the present member of the House of Commons for Moose Jaw is all wrong politically. Section 193 provides for what are called car order points and hold-overs. I will read the first part of the section:

> Grain in carloads offered for shipment to points in Canada may be consigned—

With this memorandum—

> "To be held at Winnipeg for orders" en route to its destination on the direct line of transit on the following conditions:—
>
> (i) The shipper shall pay to the agent of the transportation company at the point of shipment the sum of three dollars per car.

Then there is to be endorsed on that shipping bill: "This car to be held at Winnipeg for orders." A merchant, a grain dealer at Saskatoon, we will say, ships his grain to Port Arthur. He endorses on his shipping bill: "This car to be held at Winnipeg for orders." That means that for a payment of $3 that car will be held there for 24 hours, during which time his agent at Winnipeg may divert it, we will say, to a miller or to any other party for a small premium. He can divert it, as the Act now stands, at Winnipeg, St. Boniface, Calgary or Edmonton at which there is a grain inspection point and a car-order point. It means the right to hold a car in transit to its ultimate destination for a period of 24 hours, to receive instructions whether to get it to its actual terminus or to divert it elsewhere. That is allowed at other points which are now grain inspection points and car order points.

The Government of the day recently signified the establishment of the city of Moose Jaw as a grain inspection point. There is a Government grain terminal there, and also one at Saskatoon and one at Calgary. A year ago the Government, through the Grain Commission, promised to establish a grain inspec-

tion point at Moose Jaw, but it will not go into business until this year. The Minister of Finance made a statement in the House to that effect. The question, then, is whether a grain inspection point is functioning adequately without having associated with it a car-order point. So far as Moose Jaw is concerned, how would a car-order point operate, where grain will be inspected? The farmer or grain dealer out in the country somewhere west of Moose Jaw ships his grain to a point in the east, perhaps Toronto, to be held for order at Moose Jaw, and it can be held for 24 hours on a payment of $3, during which time, instead of shipping to Montreal, Port Arthur or any point east, the shipper might decide to sell it to a local mill.

Hon. Mr. DANDURAND: So it is a demurrage fee.

Hon. Mr. WILLOUGHBY: It is virtually demurrage.

Hon. Mr. LAIRD: Have the pools made a request for that?

Hon. Mr. WILLOUGHBY: I can say this of my own knowledge, that the Saskatoon pool, with the Grain Commissioners, held a meeting in Moose Jaw last year, and the Saskatchewan pool were represented by their general manager, who urged before the Commission the establishment of a grain inspection point. The question of the car-order point was not formally discussed at that time. They are two separate things, but the impression in the minds of those acquainted with the grain trade is that the two are necessary in order to function properly. So I can say that the pool men did advocate it.

Hon. Mr. BEIQUE: Let us understand: there are how many inspection points in the Province?

Hon. Mr. WILLOUGHBY: There are Calgary, Edmonton, there will be Prince Rupert, I presume, when it is settled, Vancouver, Moose Jaw and Winnipeg. That is all as far as I know.

Hon. Mr. BEIQUE: My other question, for my own information, is this: there is a stopping order for Winnipeg; is there any for the other inspection points?

Hon. Mr. WILLOUGHBY: Yes. The section I have read specifically provides that when the word to Winnipeg is used, it will be applicable to Edmonton and Calgary in the same way. Moose Jaw was not included at that time, but it will be if this amendment goes through.

It is only the importance of the subject that gives any warrant for my detaining the House so long. I have no doubt there are other gentlemen more competent than myself to present this subject, who will do us the pleasure of speaking, and I thank the House for its courtesy in listening to me with the great patience that has been shown.

Hon. W. B. ROSS: Honourable gentlemen, this Bill deals with a subject that I think is very intricate in itself, and I believe it is also strange to a good many members of this House. Of course, the honourable gentlemen from the West know this legislation very much as they know the alphabet and the multiplication table. But it is not so with me. I have given a good deal of attention to this Bill. I made it my business to hear all the witnesses that were examined before the Committee on Agriculture in the other House, and while I have arrived at a fairly firm opinion on the merits of the Bill, I am still open to conviction in the matter. This subject is new to a great many of us, and I think there is considerable difference of opinion in the House; but we have received a great deal of assistance towards understanding the Bill from the honourable member who has introduced it, and for myself I am much obliged for what he has done in explaining the provisions of the Bill.

I think it is undesirable, however, that we should have two discussions on this Bill, and I think it will be better to send it to the Committee on Banking and Commerce. We cannot deal with this Bill without giving a hearing to parties who are interested in it, if they so desire. The line elevators claim that they have probably $85,000,000 involved in the subject-matter of the Bill, so that it is of very great importance to them, if they feel that their property is being jeopardized in any way. On the other hand, of course the pool is a very powerful body, having enormous interests also, and I think it would be better if we heard those people, or any experts who may choose to come before the Committee on Banking and Commerce; then, when the Bill comes back from the Committee we can have a full discussion. It is perfectly certain that if we began to discuss the Bill to-day there would be interminable difference of opinion as to the terms, and the methods in which business is being done in the grain trade. I think all such matters should be settled, and can only be properly settled, in Committee, where all questions can be threshed out.

In the other House we had speeches from two men, one on each side, in regard to the

rights of the farmer who puts grain into the country elevator, as to getting his grain to market; but there was flat contradiction between those speakers, although they are both experts. For myself, I do not believe I shall ever arrive at a complete understanding of the Bill. If I ever reach that point it will only be in a meeting of the Committee, where I can ask men engaged in the grain business just how that business is being done.

I do not know whether my honourable friend is willing to move reference of this Bill to the Banking and Commerce Committee.

Hon. Mr. WILLOUGHBY: I think we might deal with it as we did last year, by a smaller Special Committee, rather than by the Banking and Commerce Committee, which is pretty well loaded down with work, as we are getting near to the end of the Session.

Hon. W. B. ROSS: I do not know that that is the case. The Banking and Commerce Committee is a Standing Committee of the House, and I think it is better in every way that this Bill should go to one of our Standing Committees rather than to a Special Committee, as there might be some heartburning about the appointment of such a Committee.

Hon. Mr. WILLOUGHBY: I do not know; it went before a Committee last year, and the Committee turned the Bill down. I am a member of the Banking and Commerce Committee, and probably nobody has a higher regard than myself for the intelligence of the members of that Committee; but we have the question of Rural Credits to be dealt with there, for one thing, and there is another phase to that Committee work in connection with the Soldier Settlement Bill. I would prefer that the Bill should go to a Special Committee, selected by the two leaders; I do not want to dictate as to the membership.

Hon. W. B. ROSS: The work of the Banking and Commerce Committee is pretty well over now; there will be only one or two days' work more. My choice of the Banking and Commerce Committee is not because it is the strongest Committee, but because it is a very large one; that is why I would like it to go to them.

Hon. Mr. DANDURAND: The same question arose in 1925 when the Grain Bill was before us; if I am not mistaken it was a consolidation of the Grain Acts. When the question arose as to the best Committee to deal with it, the argument was made that the matters covered by the Grain Act affected more especially the West, and that therefore on that Committee there should be a larger representation from the West than would be found on the Banking and Commerce Committee. We appointed a Special Committee, composed to a large degree of men interested not only on account of coming from the West, but also because of having a greater knowledge than most of the members from the East.

For my part, I am disposed to accept the suggestion of the mover of this Bill (Hon. Mr. Willoughby), if my honourable friend will accept the proposal that a Special Committee be struck, and that the names be left to my honourable friend who leads the other side (Hon. W. B. Ross), the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby) and myself. We will try to secure all the best knowledge in the Chamber.

Hon. W. B. ROSS: I think I would prefer not to have anything to do with the selection of a Committee on this subject. It is a big subject, and one that is hotly contested, involving great differences of opinion. I would sooner take one of our Committees, and move the Bill straight to that Committee, than leave it to a Special Committee.

Hon. Mr. DANDURAND: I may say that I have been given the names of the Special Committee which was appointed. We would not need to accept that Committee in toto; we could add to it. The members of that Committee were Hon. Messieurs Beique, Belcourt, Black, Boyer—we had two members named Boyer at the time; one has gone, and the other one is not attending regularly—Crowe, Foster (Sir George E.), Gillis, Laird, McCoig, Ross (Middleton), Ross (Moose Jaw), Sharpe, Smith, Turriff, Watson, Willoughby and myself. It will be seen that there was a fairly large representation from the West of men who would furnish us with information which we could not get so completely in the Banking and Commerce Committee.

Hon. W. B. ROSS: The honourable gentleman must remember that there is educational value to a man who is going on that Committee. Now, the Banking and Commerce Committee is a large one, and I think it is of great importance that a large number should be on the Committee that deals with this subject. I do not think there would be any objection to adding one or two professional men to the Committee; we had a couple of names suggested the other day; and of course there is nothing to prevent any man from the West from attending this Committee and taking part in its proceedings.

Hon. Mr. DANDURAND: I simply throw out the idea. I would not like to substitute my own will for that of the mover of the Bill. I would leave him to make the proposition. He has suggested that the honourable gentleman and myself make the selection, but he might move substantially the list of names that he pleases, if he thinks it preferable to sending the Bill to the Banking and Commerce Committee.

Right Hon. Sir GEORGE E. FOSTER: Two considerations present themselves to my mind in connection with this Bill. In the first place, if your Committee is small you do not get the amount of general information to members of the Senate who afterwards have to make the decision; therefore it is advisable that you have as large a Committee as possible to hear all this information. I have had a good deal to do with the Grain Act, but I do not pretend to know it all. I know probably a good deal more than some other members, but I take it for granted that the majority of the members of the Senate would not be adepts in the question involved, and would have to carefully learn.

The other consideration is this. You know that the Senate is under criticism—whether fair or unfair we are not stating at the present moment—and this question assumed this year a different phase from what it has ever assumed before when it has come to this Chamber. There are two vast interests at stake. There is the pool side, and there is the side of the line elevator, or private elevator. An immense amount of capital is invested in the line elevators—some $85,000,000, it is stated. That is the amount of capital from different sources which has been invested in a lawful business under certain conditions. The interests are large, and they ought not to be sacrificed. In view of a large interest such as that, pitted in this rivalry, and especially in view of the contrary statements that will come before the Committee, the matters involved are of great importance. The pool interest has not a great amount in elevators, but it has the bulk of the farmers of the West in it. Now, we have never had just that position before, and above all things I think we ought to avoid a possible charge by any indiscreet person that the Committee had been framed for the purpose of favouring either one side or the other. If you take the Standing Committee on Banking and Commerce, you get a large Committee, and, I think, a very good Committee, and you avoid entirely any chance of criticism, or of a feeling, which may be right or which may be wrong, that the Committee was proposed with the underlying idea of favouring one side or the other. These two considerations, I think, make it preferable that the Bill should go to the Committee on Banking and Commerce.

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

Hon. Mr. WILLOUGHBY: This Bill is rather unique in that it is a Private Bill to amend a Public Act. I do not want to oppose the position taken by my honourable Leader, because we have confidence in his discretion; that is why he is where he is. Nevertheless, speaking with great deference to the Committee on Banking and Commerce, I still think a Committee could be chosen without there being any thought that it was packed.

Right Hon. Sir GEORGE E. FOSTER: The public is differently inclined from my honourable friend, and critics of this Chamber are not over-nice in the suggestions that they sometimes make. I do not think that there is the least possibility of a Committee of this House being packed. I think the Committee would be absolutely fair. I stand up for that characteristic of the Senate.

Hon. Mr. WILLOUGHBY: Last year the Bill was killed in our Committee, and I do not think anybody ever suggested that the Committee was packed. I am not going to take the responsibility of suggesting that it go to a standing Committee—and this is no reflection on the Committee on Banking and Commerce. I think that is the most competent Committee in Canada to deal with a great many things; but this is a Bill dealing entirely with a western problem, and I think the Committee should be composed largely of western members representing all shades of opinion. I also think that we should have representatives before us of all those interested.

Hon. Mr. BEIQUE: The honourable gentleman might suggest that certain members be added to the Committee on Banking and Commerce.

Hon. Mr. MURPHY: If the Bill were now referred to a Special Committee such as the honourable gentleman has suggested, the Senate would be following a precedent set some years ago when a similar Bill was referred to a Special Committee.

Hon. W. B. ROSS: This Bill was considered in the other House by the Committee on Agriculture, composed of 100 members, and while the West is largely interested in the Bill, nevertheless the fact remains that it

must be passed upon by the House, which is composed of members from both the East and the West.

Hon. Mr. DANDURAND: It might be referred to the Committee on Agriculture, which might be given the right to add to its members.

Hon. Mr. WILLOUGHBY: That will do me.

Hon. W. B. ROSS: I move that the Bill be referred to the Committee on Banking and Commerce.

The motion was agreed to.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, as this Bill could not reach the Banking and Commerce Committee without 24 hours' notice, I would ask that the rule be suspended in order to permit of the Committee dealing with it at once.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Bill 12, an Act respecting Joliette and Northern Railway Company.—Hon. Mr. Gordon.

CRIMINAL CODE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 153, an Act to amend the Criminal Code.

He said: Honourable gentlemen, we discussed this Bill pretty fully yesterday when we had under review an amendment to the Immigration Act. The two sections which are repealed by this Bill were added to the Criminal Code in 1919. It was explained at that time that, owing to the period of unrest through which the world was passing, it was important to place sections in the Act which, if they did not enlarge the powers already given under the clauses relating to sedition, would at least make them more definite in certain ways. It was further explained that they were intended to replace to a large extent certain provisions which had been made under the War Measures Act by way of Orders in Council.

Since that time organized labour associations have continually and strongly complained about these two sections. Every year representatives of the Trades and Labour Congress when they made their annual pilgrimage to the Government have asked that these two sections might be repealed, so as to leave the situation as it was prior to 1919. They have always expressed a fear that the sections in question would be directed against the activities of labour unions, although those responsible for the insertion of those sections always claimed that such was not the intention. At all events, we have already in the Code sufficient protection in the matter of sedition. We have the precautions embodied in section 87, and also provisions concerning unlawful assemblies. In section 130 we find provisions regarding sedition, oaths or engagements in societies, and in section 132 against seditious words, seditious libel and seditious conspiracy. Section 135 deals with libels on a foreign sovereign, and section 136 with the publishing of false news.

Under the British law sedition is an old offense, but there has never been a strict definition of the term. In 1880, I think it was, the British Commissioners entrusted with the work of drafting the English Code inserted a clause defining seditious intention as follows:

> An intention to bring into hatred or contempt or to excite disaffection against the person of Her Majesty, or the government and constitution of the United Kingdom or of any part of it as by law established, or either House of Parliament, or the administration of justice; or
>
> To excite Her Majesty's subjects to attempt to procure, otherwise than by lawful means, the alteration of any matter in church or state by law established; or
>
> To raise discontent or disaffection amongst Her Majesty's subjects; or to promote feelings of ill will and hostility between different classes of such subjects.

This was not made part of the British Code. Parliament preferred rather to let the tribunals decide as to sedition under the common law, as the practice always had been in the past. The same thing happened in Canada. When the Criminal Code was introduced into our Parliament there was in it a similar clause to the one contained in the English Code. After a good deal of discussion and criticism, both in Committee and in the House, the clause was not accepted, and we were left with the old British law concerning sedition, and were governed by the common law of England.

This law has always worked well in Canada, as well as in Great Britain, and I am firmly of the opinion that the sections added in 1919 on account of the unrest which was said to prevail at the time, are not now at all necessary. The officers of the Department of Justice have stated that there have been no prosecutions before our courts anywhere in the country under these sections.

Section 4 of the Bill is the same as the subsection at present in force, except that the

words "of previous chaste character" are deleted. The words, "No person accused of any offence under this subsection shall be convicted upon the evidence of one witness unless such witness is corroborated in some material particular by evidence implicating the accused," are struck out, as this provision is now contained in section 1002 of the Code. Subsection 1 of section 301 provides punishment for cases of girls under the age of 14.

Hon. W. B. ROSS: I cannot find that section 1002 covers that.

Hon. Mr. DANDURAND: Section 1002 reads as follows:

No person accused of any offence under any of the hereunder mentioned sections shall be convicted upon the evidence of one witness, unless such witness is corroborated in some material particular by evidence implicating the accused:—

(a) Treason, Part II., section 74;

(b) Perjury, Part IV., section 174;

(c) Offences under Part V., sections 211 to 220 inclusive.

Hon. W. B. ROSS: That does not cover it.

Hon. Mr. McMEANS: I think you will find it is under section 103 instead of section 1003.

Hon. Mr. DANDURAND: Yes, the explication of this clause contains an error.

Hon. W. B. ROSS: I think it is a slip—that the man who drafted it did not check it back.

Hon. Mr. DANDURAND: At all events, if the Bill goes to Committee, I will verify the reference. We will not take the Committee stage this afternoon. I realize that I am presenting to the Senate an amendment which already on more than one occasion has been rejected.

Hon. Mr. BELCOURT: A number of times.

Hon. Mr. DANDURAND: I would not like to name the number of times that the Senate has expressed an opinion upon it. As this is an omnibus Bill, very likely the Senate will desire to examine it in Committee.

The next amendment comes under clause 5 of the Bill, the purpose of which is to restore to the Crown the right to appeal to the Court of Appeal on any ground of appeal which involves a question of law alone. Section 1013, as enacted by chapter 41 of the statutes of 1923, gives a right of appeal in such cases to a person convicted on indictment, but not to the Attorney General.

Hon. W. B. ROSS: I think there will be a discussion on that point, but the second reading might be given now.

Hon. Mr. DANDURAND: There is another clause covering the question of script frauds:

(1) Subparagraph (iv) of paragraph (a) of section one thousand, one hundred and forty of the said Act, as enacted by section twenty of chapter twenty-five of the statutes of 1921, is hereby repealed.

(2) Any one who commits or has at any time heretofore committed any offence relating to or arising out of the location of land which was paid for in whole or in part by script or was granted upon certificates issued to half-breeds in connection with the extinguishment of Indian title, shall, with respect thereto, be liable to prosecution or to an action for penalties or forfeiture in the same manner and to the same extent as if said subparagraph (iv) had never been enacted.

The subparagraph to be repealed was added to section 1140 of the Criminal Code by chapter 25 of the statutes of 1921, and the part of the section hereby affected now reads as follows:

No prosecution for an offence against this Act, or action for penalties or forfeiture, shall be commenced:

(a) after the expiration of three years from the time of its commission if such offence be

(iv) any offence relating to or arising out of the location of land which was paid for in whole or in part by script or was granted upon certificates issued to half-breeds in connection with the extinguishment of Indian title.

The object of this amendment is to strike out the time limit of three years within which an action must be commenced for such an offence.

This relates more especially to transactions that have taken place in the West. The matter was reviewed by this Chamber before and met with some opposition. The Bill was not pressed, or the amendment was rejected. However, I understand there was a general consensus of opinion in the other Chamber in favour of striking out this time limit. The amendment passed the other Chamber unanimously, without any criticism. So I submit it to the wisdom of this honourable House.

Hon. W. B. ROSS: There will be a discussion at least about the first line of the new subsection 2:

Anyone who commits or has at any time heretofore committed—

That would carry a man back fifty years.

Hon. Mr. DANDURAND: In what clause is that?

Hon. Mr. ROSS: That is subsection 2 of section 6, the very last clause of the Bill. It is retroactive legislation, and there will be at least a discussion of that. I do not know the mind of the House with regard to it, but it will be challenged.

Hon. Mr. BELCOURT: Are there any special reasons why those words should be there? One would imagine that the necessity for a provision of that sort would disappear rather than increase.

Hon. Mr. DANDURAND: I have no special note or memorandum on this question, but I should suppose that by striking out the time limit the effect of this amendment would be the bringing before the tribunals of offences committed before the three years mentioned.

Hon. Mr. BELCOURT: No; since the expiration of the three years. That is evidently what is meant. It would cover cases that were not prosecuted within the three years, or, in other words, the cases that have arisen since the expiration of the period.

Hon. Mr. DANDURAND: I suppose it would mean cases which were covered by the time limit, but which can be reached now if the time limit is struck out. However, I am simply surmising. I will get proper information on this matter and have it when we go into Committee.

Hon. Mr. McMEANS: I may say for the information of the honourable gentleman that that particular clause received very careful consideration at the hands of a Special Committee of which Sir James Lougheed was Chairman. At that time we brought over from the House of Commons the gentleman who had introduced it there, and we had a very long discussion. The gentleman who introduced the measure in another place was convinced that it was a very unwise thing to make a new crime of something that had been committed in the past. That is the effect of it.

Hon. Mr. DANDURAND: That is, to revise it?

Hon. Mr. McMEANS: It is no crime at present. If you pass this amendment you provide punishment for something that was done before the Act came into force. There were other considerations dealt with. We went fully into the matter. It was thoroughly discussed, and it was shown that the old scrip matters dealt with in this clause would not be of any benefit to anyone.

Hon. Mr. BELCOURT: Let us think of this, for instance. If this section carries, a man may be prosecuted on a matter concerning scrip, in which there may have been a great deal of correspondence between him and the Department. The three years have expired. He says: "This matter is finished now." He tears up all his correspondence, which might be sufficient to establish a defence. It seems to me it would be the easiest thing to do.

Hon. W. B. ROSS: Oh, yes. Many persons may have died.

Hon. Mr. BELCOURT: Or they may have destroyed the evidence upon which their defence is based.

Hon. Mr. ROSS: I understand the honourable gentleman has just moved the second reading, and that we may take the Bill section by section when we come to deal with it in Committee of the Whole.

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

CANADA EVIDENCE BILL (BANK BOOKS AND RECORDS)

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill X6, an Act to amend the Canada Evidence Act.

Hon. Mr. Robertson in the Chair.

The Bill was reported without amendment

THIRD READING

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

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

SPECIAL WAR REVENUE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 115, an Act to amend the Special War Revenue Act, 1915.

He said: Some of the principal amendments to this Act are as follows:

1. Reduction of postage on letters for transmission by post for any distance within Canada. There will be no reduction on drop letters and post cards. This section comes into force on July 1.

2. The stamp tax on receipts is removed. This tax was found to be vexatious and was evaded in many cases. It was considered advisable to repeal it. This section came into force on April 16.

3. The tax on playing cards, which was formerly eight cents a pack and fifteen cents a pack, is now made a tax of ten cents on all packs. This change is for the purpose of making administration easier. There has been difficulty in ascertaining the value of cards imported from the United Kingdom, where they have a large excise tax which brought the value up to over $24 a gross. The change will give practically the same revenue.

4. There is a section in the Bill to remove doubt as to whether goods are liable to the consumption or sales tax when sold under process of law or under a lien. A decision

was given in the courts that a bank which sold lumber was not liable to the tax, as it was not a manufacturer or producer. The change does away with the advantage which such bank or other seller would have over the legitimate dealer.

5. One of the principal additions to the list of articles which are exempt from the consumption or sales tax is articles and materials, not to include permanent equipment, which enter into the cost of the manufacture or production of goods manufactured or produced by a licensed manufacturer or producer. This removes an objectionable feature.

6. The sales tax on canned fish has been reduced by one-half.

7. Another important feature of the Bill is the removal of the excise tax, not the consumption or sales tax, on passenger automobiles valued at not more than $1,200, when such cars are imported under the British preferential tariff, or from countries enjoying most favoured nation treatment, or are made in Canada; provided that in the case of cars imported before the 1st day of April, 1927, at least forty per cent of the cost of producing the finished automobile has been incurred in the country of production, and provided that in the case of cars imported on and after the 1st day of April, 1927, at least fifty per cent, of the cost of producing the finished automobile has been incurred in the country of production. This change went into operation on June 8.

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

THIRD READING

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

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

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

THE SENATE

Thursday, June 17, 1926.

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

Prayers and routine proceedings.

PRIVATE BILL

THIRD READING

Bill 113, an Act respecting the Bronson Company.—Hon. Mr. Belcourt.

Hon. Mr. DANDURAND.

CRIMINAL CODE BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 153, an Act to amend the Criminal Code.

Hon. Mr. Stanfield in the Chair.

On section 1—unlawful associations; publishing, etc., seditious books, etc.:

Hon. W. B. ROSS: Honourable gentlemen, in dealing with the Immigration Bill the Leader of the Government made mention of this Bill. Historically at least there is a connection between the two Bills, they having arisen out of the state of the country in the year 1919. This is a companion Bill to the one amending the Immigration Act which we dealt with the other day, and which gave power to deport persons under certain circumstances. The object of the law of 1919 was to guide judges and courts and magistrates and all other officers in dealing with cases of sedition, and the crimes of seditious words or unlawful assemblies, which are somewhat of the same nature, were dealt with in the Criminal Code under sections 133 and 134. You will see section 133 printed on the second page of this Bill.

Hon. Mr. DANDURAND: It is prefaced by 132, which remains in the Act.

Hon. W. B. ROSS: Yes, but section 133 was repealed in 1919. Then you had these two sections 97A and 97B enacted, and anyone who has looked over them will see that they only give in detail what, perhaps with a new section in the Code supplementary to section 133, might when the time comes be deleted. I would suggest to the honourable gentleman that the repeal of these two sections is premature, on the same ground that we suggested that it was premature to repeal the clauses amending the Immigration Act. I think this House of its own motion could take up both these Acts and deal with them, and consult the law officers, and have the law amended in an intelligent manner. It is just possible that conditions are quieting down, but from what we read of Europe in the press and of the conduct both of the Russian Government and certain Russian organizations, I am not sure that it is just wise to repeal these two sections. That is why I think this Bill is inopportune, and I would suggest to the honourable gentleman that he drop the repeal of these two sections and just leave the law as it stands for the present.

Hon. Mr. DANDURAND: I think perhaps I can throw a little more light upon the

reason for this legislation than I did in moving the second reading of the Bill yesterday. We all realize that, after the war and following the revolution in Russia, there was somewhat of a commotion. This commotion extended to our own country, and perhaps explains the legislation which is now upon the Statute Book.

I draw the attention of the Senate to the fact that this is very exceptional legislation, such as appeared under somewhat similar form while the French Revolution was smouldering and developing on the other side of the Channel. In 1792 there was considerable fear throughout England of those ideas which in divers ways found vent in a desire, within a certain limited group of people, for more advanced legislation; and it was in the endeavour to curb that movement that legislation was introduced somewhat on these lines, treating of treason and sedition.

I might cite an extract from May's Constitutional History of England, page 33, where he says:

> It was a crisis of unexampled difficulty, needing the utmost vigilance and firmness. Ministers, charged with the maintenance of order, could not neglect any security which the peril of the time demanded. They were secure of support in punishing sedition and treason: the guilty few would meet with no sympathy among a loyal people. But, conselled by their new Chancellor and convert, Lord Loughborough, and the law officers of the Crown, the Government gave too ready a credence to the reports of their agents; and invested the doings of a small knot of democrats—chiefly working men—with the dignity of a wide-spread conspiracy to overturn the constitution. Ruling over a free State, they learned to dread the people, in the spirit of tyrants. Instead of relying upon the sober judgment of the country, they appealed to its fears; and in repressing seditious practices, they were prepared to sacrifice liberty of opinion. Their policy, dictated by the circumstances of a time of strange and untried danger, was approved by the prevailing sentiment of their contemporaries; but has not been justified in an age of greater freedom, by the maturer judgment of posterity.

If honourable gentlemen will look at the legislation which we put on the Statute Book in 1909, they will find that throughout there is an effort to curb the freedom of the subject, and to limit the expression of opinion. Those clauses would mostly fall under the generic term of sedition, or conspiracy to commit a felonious act; and not only did we go to the extent of bringing in legislation which would reach beyond the ordinary interpretation of sedition, but we withdrew the safeguard which everyone will admit is the pride of the British subject. The chapter is replete with provisions covering sedition and its manifestations in various ways. I will read section 132:

> 132. Seditious words are words expressive of a seditious intention.
>
> 2. A seditious libel is a libel expressive of a seditious intention.
>
> 3. A seditious conspiracy is an agreement between two or more persons to carry into execution a seditious intention.

Following these statements as to what is seditious, or to be understood as seditious, comes section 133, which at one fell blow we wiped off our Code; and what does it say? It reads as follows:

> 133. No one shall be deemed to have a seditious intention only because he intends in good faith,—
>
> (a) to show that His Majesty has been misled or mistaken in his measures: or,
>
> (b) to point out errors or defects in the government or constitution of the United Kingdom, or of any part of it, or of Canada or any province thereof, or in either House of Parliament of the United Kingdom or of Canada, or in any legislature, or in the administration of justice; or to excite His Majesty's subjects to attempt to procure, by lawful means, the alteration of any matter in the state; or,
>
> (c) to point out, in order to their removal, matters which are producing or have a tendency to produce feelings of hatred and ill-will between different classes of His Majesty's subjects.

Honourable gentlemen will see that the safeguard that the British subject had, and that he has under the system of laws in Great Britain, disappeared.

Hon. Mr. GRIESBACH: Is it not a fact that within the last six months legislation has been introduced in Great Britain designed to deal with that very same subject with which the legislation of 1919 was intended to deal in this country, and that that legislation is quite as stringent as what is found here?

Hon. Mr. DANDURAND: I do not know of that. I always understood, and still believe, that the legislation which we had before 1919 prevails in Great Britain to this day, and has been deemed sufficient to cope with any such offences as are mentioned in sections 97A and 97B. I would be surprised to hear that the British Parliament has passed such legislation.

Hon. Mr. GRIESBACH: I am almost certain that some such legislation has been passed, and that the law as we had it in section 133 is not now the law of Great Britain. They have actually taken steps to provide themselves with powers that are to be found, more or less, in these sections which it is now proposed to repeal.

Hon. Mr. CASGRAIN: Since the general strike?

Hon. Mr. GRIESBACH: No; six months ago, in connection with the prosecution of Campbell, the Communist editor, when five Communists were sent to jail.

Hon. Mr. DANDURAND: I understand the warrant had been issued under the law of sedition.

Hon. Mr. GRIESBACH: I understand the trial was conducted under new legislation passed at the instance of the present Government. I think it would be well to make sure of that before we come to a final conclusion, if we are to base our legislation on what they have in England.

Hon. Mr. DANDURAND: I cited special legislation which was passed at the time of the French Revolution, which was afterwards withdrawn. I wish to draw the conclusion that since we have returned to what I regard as normal times we should withdraw the exceptional legislation contained in the amending Act of 1919, because that legislation undoubtedly smacks of tyranny, and would be very difficult of application. No one would be safe; the simple fact of importing a book would make him liable.

Hon. W. B. ROSS: Would the honourable gentleman excuse an interruption, if I point out what I meant to mention, but perhaps did not stress very strongly—the difference between the French revolution and the Russian revolutions? The French nation, as a nation, and even private organizations in France, did not attempt to attack organized society in another country. They were gentlemen, compared with the revolutionists in Russia, who have an organized propaganda in foreign countries. They make no secret of that; and, until there is some change in the conduct of the Russian Government and the Red societies there, I think it is premature to take down any of these barriers. I admit the provisions are high-handed, and if the Government of Russia were acting as that of an ordinary civilized country would act, I think we might remove those barriers; but until they show some signs of doing that, I think it would be a mistake.

Hon. Mr. DANDURAND: Well, of course everyone is entitled to his own opinion; but I have such confidence in the common sense of our population, and of its desire for order and peace, that I would not hesitate for one instant to withdraw the special legislation, and allow the country to develop under our ordinary criminal law as it was before the Act of 1919, simply declaring that sedition is a crime, and that conspiracy to commit sedition is a crime. I would then sleep in peace, feeling that anyone who has designs of violence against our constitution, our authorities, or our laws, could be brought before the tribunals and condemned.

It is because I feel that this is such a free country, one that has enjoyed such good order and freedom, that I am not afraid to trust the people with the instruments that we have at hand to repress any movement which would smack of revolution; and it is somewhat repellant to my nature to think that the safeguards mentioned in section 133 are necessary. That section allows of citizens meeting in public squares to condemn even the good Government that we have at present at the head of the Dominion, and also Provincial Governments—to condemn them for supposed acts of omission or commission. We know that it is very difficult to discern between just and unjust criticism. We know what extravagant language is used on the platform, and in the press—even in newspapers, that bear an appearance of respectability. Extravagant language is used to express ideas, and there is no question that if anyone wanted to invoke the present law he could have accusations brought against the editors of newspapers for their very extravagant language towards the constituted authorities of this country in every town and city almost every morning. I am not speaking of election times, when we hear things that seem to be the product of insanity from the lips of many people, although they are addressing free Canadian electors.

Now, when one examines this legislation it smacks of autocracy, and it is so vague in its definition of seditious offences that we owe it to ourselves to show the world that we have returned to normalcy. I will not go through these various enactments; but one will find, especially one who has some legal training, that they contain accusations which it would be most difficult to establish, and which would lead to charges and trials that would be quite unjustified. For example, take the last clause of 97B:

(3) Any person who imports into Canada from any other country, or attempts to import by or through any means whatsoever, any book, newspaper, periodical pamphlet, picture, paper, circular, card, letter, writing, print, publication or document of any kind as described in this section, shall be guilty of an offence and shall be liable to imprisonment for not more than twenty years.

The simple fact of ordering a book which has been mentioned by a friend as containing an interesting opinion on a subject may bring one within the terms of this Act; and yet the person may possibly be unaware that there were in the book teachings variously expressed that could be judged by a jury to be treasonable or seditious.

Hon. W. B. ROSS: I would suggest to the honourable gentleman that it is not fair to

read subsection 3 without reading subsection 1, because these books have to be books that "teach, advocate, or advise or defend the use, without authority of law, of force, violence, terrorism," etc. When you talk of keeping a book out you have to say what is the nature of the book.

Hon. Mr. McLENNAN: I do not know of any cases in which prosecutions under this Act have been even begun where it was not obvious that it was necessary to prosecute. After the French Revolution, for a period of fifteen or twenty years, there were undoubtedly prosecutions in England which were no credit to British justice; but I have not heard of anything since 1919 that one could consider even remotely as a straining of the language of this Act.

Hon. Mr. DANDURAND: Of course, I did not go to the definition of the offence, but I am ready to take it as contained in section 97B:

(1) Any person who prints, publishes, edits, issues, circulates, sells, or offers for sale or distribution any book, newspaper, periodical, pamphlet, picture, paper, circular, card, letter, writing, print, publication or document of any kind, in which is taught, advocated, advised or defended, or who shall in any manner teach, advocate, or advise or defend the use, without authority of law, of force, violence, terrorism, or physical injury to person or property, or threats of such injury, as a means of accomplishing any governmental, industrial or economic change or otherwise, shall be guilty of an offence and liable to imprisonment for not more than twenty years.

I contend that all these offences, if sufficiently marked to be described in an indictment, may come under the clauses respecting sedition that are already in the Act.

I stated on the second reading that the Parliament of Great Britain and the Parliament of Canada had refused to adopt a definition of "sedition," in order to leave it to the judge and jury to estimate the act of which a citizen might be accused; and this has been deemed sufficient. The terms are elastic enough to cover all cases in which the State, or peace and good order within the State, are threatened. I should think, considering the opinion of all the legal gentlemen who sit in the other chamber, that all the offences enumerated in the clauses repealed by Bill 153 are broadly but sufficiently covered by the Act as it stood before 1919; and, if they are sufficiently covered, the subsequent enactment being exceptional legislation, made because of the exceptional times through which we were passing, it seems to me that we owe it to ourselves and to the community at large to revert to the general principles with the application of which we were content for the fifty years preceding 1919.

For these reasons I suggest that we repeal sections 97A and 97B, and that we restore to the Statute Book the clauses that were withdrawn in 1919, and return to the status quo ante.

Hon. C. P. BEAUBIEN: Honourable gentlemen, I would like to lay before the House a few facts which may largely determine whether or not it is really time for us to repeal the provisions in question, which were inserted in our Criminal Code in 1919. I shall be brief.

These sections deal with associations organized in Canada for the purpose of diffusing here the ideas of the Soviet Government. They are only provisions enabling us to deal promptly and swiftly with associations whose purpose is the overthrow of authority. Section 97A deals with unlawful associations whose purpose is:

To bring about any governmental, industrial or economic change within Canada, by use of force, violence, or physical injury to persons or property, or by threats. . .

The section goes on to say that the property of such associations may be confiscated; that the members of the association also are subject to the penalty provided by law; and then there is a presumption created by the clause, which describes those who are members of such associations, or who may be presumed to be such members within the meaning of the law. Provision is also made for search warrants, and against propaganda by the dissemination of printed matter.

I take it, honourable gentlemen, that these sections are the only provisions in the Criminal Code that enable us to deal swiftly and radically with people in this country simply for the purpose of overthrowing order.

Now let us see whether, in the first place, the sections are useful, and, secondly, whether any harm has resulted from the enactment of these sections and retaining them in the Criminal Code. Often during the year there are held in the city of Montreal open meetings at which socialistic principles are upheld. Have these powers of the law ever been abused? I might go so far as to ask, have they been used when they should have been?

But I will turn from the large industrial centres of the East, because, forsooth, they are supposed to contain many undesirables who have entered this country with the inflow of immigration and are stranded there. Of every ten men convicted in our criminal courts in the city of Montreal at least eight are foreigners; therefore an example cited from the city of Montreal does not fairly

represent the situation throughout Canada. But I hold in my hand a few extracts from articles published by a newspaper in the West, the Winnipeg Free Press.

Hon. Mr. McMEANS: That is a good Liberal paper.

Hon. Mr. BEAUBIEN: It is a good Liberal paper. It certainly is not open to the suspicion of being a reactionary paper. It is certainly not a paper inspired by views held by the Senate, or by the majority of honourable members of this House. Therefore I may fairly say that the extracts which I am about to read will illustrate the situation, not in the congested industrial centres of the East, not in Cape Breton, where we know trouble has unhappily paralyzed industry for years until very lately, but in the open, free and breezy West. That situation exists in the West and is very much worse than the situation in 1919. Honourable gentlemen will remember that in 1919 the Soviet Government made its first effort outside of Russia in the city of Winnipeg; but throughout the rest of Canada no effort was then made by Russia, for it had not yet had time to organize. There was no school of Bolshevism in those days. Do my honourable friends know that there are two schools of Bolshevism functioning regularly every Sunday in Montreal?

But, let us turn aside from the large and congested centres of the East and consider the west. This is what the Winnipeg Free Press says:

> Communism is being spread sedulously throughout western Canada. Organizations, some of which have their headquarters in North Winnipeg, have been so successful since the war in preaching the doctrine of class consciousness that their adherents now are numbered by thouands, and in some quarters the glad day when the "workers will arise in their might," overthrow the prevailing system of government— the capitalist system—and join hands with the elder brethren of Communism in Russia, is acclaimed as being not far distant.

I am skipping, because it is not necessary to read everything.

> Some conception of the scope of the movement may be realized by the fact that there are scores of branches of the parent body in existence throughout the Dominion. Reports published in the Ukrainian Labor News in recent months show that there are active communist associations in a large number of cities, towns and villages, and in hundreds of rural communities in the Dominion. Periodically there is sent out from headquarters an organizer who spurs on the laggard, and one of these in a statement which was published in the Ukrainian Labor News, reports flourishing branches in Alberta at the following points: Edmonton, Borshiff, Vegreville, Royal Park, Foothills, Luscar, Nordegg, Drumheller, Lethbridge, Coalhurst, Hillcrest, Coleman, Bellview, Corban, Taber, Madison Gate, Kenmore and Calgary. Other reports show that there are active communist societies in Portage la Prairie, The Pas, Transcona, Dauphin, Sifton and many other Manitoba towns, and particularly that the movement has made progress in recent years in northeastern Saskatchewan.

But there is another article which to my mind brings to us information which is far more significant. Hitherto the socialistic movement has been spread amongst the labour people.

Hon. Mr. GRIESBACH: Will my honourable friend differentiate between the socialistic and the communistic?

Hon. Mr. BEAUBIEN: What I mean is the Soviet doctrine and nothing else. I will not dilate at all on Christain socialism, which is but the law of the Gospel. I am talking of the Soviet rule.

This article shows the effort made by the Soviets to influence the farmers in the West, and here is their argument, and the result of their argument, which is much more serious:

> "All Communist branches located near farming communities should get into as close contact as possible with the farmers and should lead them in the Communistic path.
>
> "Comrades! To work."
>
> For the past few years this has been the watchword of Communism in western Canada, A persevering, well directed campaign has been carried on with the purpose of enlisting the farmers, particularly the foreign born, in the revolutionary movement. The Communists have not been dismayed by the historic individualism of the farmer, nor yet by the fact that he has always been considered a capitalist. Indeed, as one Communist put it. "It is a foolish, childish argument to say that farmers are small capitalists and employers. About 94 per cent of the western farmers are mortgaged and are on the verge of ruin. It is a fact that these farmer slaves must of necessity reach the conclusion that only by uniting with the industrial slave can they escape being robbed by the capitalist thieves."
>
> It is quite clear that the campaign has not failed in its purpose. It is the boast of Communists in North Winnipeg that there are 300 local farmer Communist associations in western Canada to-day.
>
> A vigorous drive was put on last summer, particularly in the northeastern part of Saskatchewan. M. Popovitch, the leader of Communism in Canada, and H. M. Bartholomew addressed numerous meetings of farmers. At a meeting at Crystal Lake, Mr. Popovitch is reported to have said" Farmers have been caught in the clutches of the mortgage companies, banks, and all sorts of large and small leeches—which have no mercy on them. The farmers are their slaves and are chained to the land, while the leeches demand the payments of interest and profits."
>
> At these meetings farmers were urged to organize Communist associations. Otherwise, they were told, their future was hopeless. Such organizations as the U.F.M., the U.F.A., or the Saskatchewan Grain Growers were powerless to aid them.
>
> How much effect these addresses had, cannot be stated with confidence, but it is a fact that within a few months the Communists were claiming a large number of adherents among members of the Farmers' union. Still later, when the Farmers' union and the

Saskatchewan Grain Growers met to discuss amalgamation—amalgamation which afterward became a fact—the Communists became exceedingly active. Pamphlets and dodgers were got out urging the Communists within the Farmers' union to work hard to obtain control of the S.G.G., and when the terms of amalgamation were announced the Communists at once celebrated the capture of the one great farmers' organization in Saskatchewan.

One moral is drawn from this: that Communists in addition to keeping up their active membership in revolutionary societies, aim to get into the United Farmers of Manitoba and the United Farmers of Alberta, and bore from within. The leaders are continuaaly telling their followers that in the winning over of these organizations to the cause of the "proletariat" lies the path to success. It may take years, or it may come quickly. The one thing that is certain is that it must be done.

There is another article, very much in the same strain. I do not want to inflict the reading of it upon this House, but will simply quote its conclusion:

To many citizens who do not come in touch at all with the communists, it may come as a surprise and somewhat of a shock to learn that the revolution is thought to be near at hand.

"We are living in a time when revolution is near, and the communists must be prepared to go out and meet it with the red banner."

This is typical of the platform utterances of communists in the west.

Hon. Mr. McMEANS: What paper is that?

Hon. Mr. BEAUBIEN: It is the same paper—the Winnipeg Free Press.

Just one word in conclusion, honourable gentlemen. In 1919 there was no such propaganda; that is quite evident; but since then the Soviets have gained a foothold on the land, and with the enormous resources at their disposal they have sedulously spread their faith. At the conclusion of a meeting in Montreal during the last political campaign the "Internationale" was sung for the first time by a group of workers of the Province of Quebec. I think I can safely say that few Provinces are less open to socialism than the Province of Quebec; but there is no doubt that in that Province to-day efforts are being made to win over the workers from the legitimate labour unions to the Internationale. I cannot understand how it is that when legislation such as this is brought to the Government it so often has the endorsation of the honest, fair and sober-minded labour unions of Canada? I cannot understand it.

My honourable friend referred to the French Revolution. May I remind him of the advanced ideas suggested by the men of the revolution to those in control of the first movement, which was merely an honest movement for reform. Led by Saint Just they said: "Let us offer to them the idea of a republic; either they will accept it or refuse it; if they accept, they sanction the republic, and we shall govern because we are the men of the revolution; if they refuse it, they will be crushed by the unpopularity and hatred that will be amassed against them." Is it not a fact that year after year legislation of this kind has been sent to this House, having been scarcely scanned in another place, thus placing upon this House the sole responsibility? Either we accept this advanced legislation and put upon it our stamp of approval, or we repel it and may therefore expose ourselves to the attacks of a class which thrives upon disorder and which now asks that all safeguards be put aside so that they may take the reins of power and govern as they choose.

I submit that this legislation, put upon the Statute Book for very good cause, has never been abused. Never have I heard any complaint as to the application of this law. That is the first point. Secondly, there is now a very active propaganda which did not exist in 1919, and which is extremely dangerous, and against which the honest people in the land have no effective arm but the two or three articles of the Criminal Code which the Government now asks us to repeal.

Hon. G. D. ROBERTSON: Honourable gentlemen, I had not intended to participate in this debate, assuming that it would not become general; but observations have been made by my honourable friend who has just spoken (Hon. Mr. Beaubien), and statements quoted from reliable newspapers, that I feel should for a little while, receive the attention of the House, and I shall very briefly discuss what, in my humble opinion, is a very serious and important question to Canada.

My honourable friend who has just taken his seat expressed the view that Communist propaganda was not general in 1919. I can assure him from some knowledge of the facts that in Eastern Canada that was largely true, but that in Western Canada the reverse was the fact. I can tell him that in 1919, in Calgary, at a convention of Communists calling themselves One Big Union advocates, whose headquarters were with the I.W.W. in Chicago, it was proposed to bring about a very effective and general strike in the fall of that year. It was proposed to cut off communication with the East. The evidence in the records of the Labour Department indicates the extent to which preparations were made at that time to disrupt organized government, and to seize the reins of power in Western Canada. If the Government should see fit to look up that evidence, I think it would open their eyes. At that time an am-

bitious young man in the city of Winnipeg who was anxious to become head of the One Big Union movement in Western Canada saw fit to bring about a general strike in that city. He acted prematurely, and in advance of the general movement. He was rebuked by one of his colleagues from Vancouver for his indiscretion in having brought about the Winnipeg strike ahead of schedule time—an indiscretion that probably prevented a very much more serious situation.

I have always felt that it was not wise unnecessarily to alarm the people of Canada in regard to the propaganda that was then prevalent or the serious advances that it had then made. After the Winnipeg incident was closed—and I may say in passing, that had it not been handled with fairness and firmness the results would have been very different, and it might have become a catastrophe—it looked as though conditions were improving, and within twelve months the popularity of the One Big Union revolutionary movement in Western Canada—because that is what it was and is to-day—was substantially waning, and continued to wane for probably two and a half years until about the beginning of 1924, since when it has been again in the ascendant.

Hon. Mr. HAYDON: May I ask the honourable gentleman a question? I have been informed that there is practically no One Big Union movement to-day anywhere in Canada except in the city of Winnipeg.

Hon. Mr. ROBERTSON: I am very glad my honourable friend has raised that question. I will attempt to give a little information on that point in a few minutes.

From 1919 down to 1923, I think it is true to say that the prospect of the gradual elimination of that sentiment in Canada was growing brighter; but since that time there has been a turn in the tide, just as there has been in the United States, to which I may refer briefly in passing. This struggle between the Communist element within the labour world, which is now penetrating into the agricultural world, as my honourable friend has just said, is becoming somewhat of a menace in the United States because of the fact that its principle and its programme is to disregard the validity and sanctity of agreements and contracts, to break them at will, and to disrupt society and business wherever and whenever opportunity presents itself. In the Ottawa Journal of June 15th I read a statement of Mr. Green, President of the American Federation of Labour, made in Denver, Colorado. He was dealing with the subject of labour problems in the United States, and was referring to general strikes, their causes and effects. The despatch says:

> General strikes which would involve the violation of wage agreements were condemned to-day by William Green, president of the American Federation of Labor, in an address before the convention of the Rotary International. A general strike, he said, means that the line of industrial conflict is immediately changed, so that it seems to become a contest between employees and Government rather than between employees and employers.

Whenever men in large numbers retire from all work activities, as they did recently in England, and as they did in Winnipeg to a somewhat lesser degree in 1919, the whole community becomes disorganized and distressed, and, as Mr. Green properly says, the contest then is between the employees or the workmen who have taken such action and the Government, be it Provincial, municipal, or Federal. It is no longer a dispute between employees and employers.

The recognized, well-regulated trades union methods of handling disputes collectively between employees and employers worked efficiently for years, until these advanced theories of making a contract to-day and breaking it to-morrow, and seizing an industry and owning it, and having no regard whatever for the capital invested or the owners of the capital, began to penetrate the ranks of the trades unions. And those doctrines are growing: they are being taught in the schools. Only a few weeks ago a minister of the gospel told me that in a substantial town in my own county there was a Soviet school of instruction, and that two churches had found it utterly impossible to establish a mission in that place because of the prevailing antipathy toward and opposition to religious teaching of any sort.

It is not true to say that the time has passed when Canada needs no legislative safeguards to enable her to deal with these matters should occasion arise. I do not feel inclined directly to criticize the Government of the day, but I do feel disposed and impelled to draw the attention of my honourable friend the Leader of the Government to a few facts that I think the Government might well contemplate. My honourable friend yesterday, in dealing with a Bill to amend the Immigration Act, called attention to the fact that in the years 1920 and 1921 I supported the withdrawal of the amendments passed in 1919. I said to the House two years ago, and again last year, and I say it again now, that a year after the Winnipeg difficulty I felt just as he feels now—that the crisis was past and that it was better to remove any cause for criticism, or complaint, or dissatisfaction, or

fear on the part of any citizen so far as the law was concerned. But since the turn of the tide to which I have referred—and there is a rising tide of Communism not only in Canada, but all over North America to-day—I feel as many other honourable gentlemen do, and as thousands of members of trade unions, good loyal citizens of this country feel, that this protection ought to be maintained. I speak with knowledge concerning this matter, and I call the attention of the Government to the information contained in certain documents that came into the possession of the Government at Winnipeg in 1919, showing that these people urged delay until the fall of that year before striking the blow, because the railway employees of Canada were not yet sufficiently educated. I call attention to the fact that there were tons of literature scattered abroad that summer, especially among railway men in Western Canada, looking to the consummation of that necessary education. In the city of Winnipeg, when the general strike was called, a substantial number of railway men participated. There was a sprinkling of men from every branch of the service except one, the Railroad Telegraphers, whom, I am proud to say, I have had the honour of representing for twenty years, and from whose ranks there was not a single defection in that trouble. But, gentlemen, the labour organization in Canada to-day that is principally, and in many instances the only one consulted by the Government, is led by a man who sat in a hotel in the city of Winnipeg in 1919 and encouraged the members to get out and strike in violation of an agreement which was then intact and concerning which they had no grievance. Is it any wonder when the Government accept advice and counsel from men assuming to represent labour, who come into Parliament with a Bill of this sort at this time?

Hon. Mr. DANDURAND: I draw the attention of my honourable friend to the statement which I think I made more than once, that the Minister of Justice claimed that every year there are petitions from the Trades and Labour Unions to withdraw these clauses.

Hon. Mr. ROBERTSON: Yes, I am quite sure that the Minister of Justice spoke honestly and correctly; but just as the House of Commons has for four years passed these amendments year after year as a matter of course, just so the Trades and Labour Congress of Canada, meeting year after year, has a lot of resolutions thrown upon the table—one for the abolition of the Senate, one for Old Age Pensions, and one for these amendments to the Criminal Code—and these are passed through as a matter of course. But I am expressing not only my personal views, but the views that I think are entertained by thousands of Labour men in Canada to-day, who find the policies and principles in which they believe—namely, collective bargaining with their employers, and responsibility to respect and fulfil agreements on their part as well as on the part of their employers—being attacked, in some cases being endangered, and in a few cases destroyed, by reason of this very propaganda and the men behind it.

It is not possible that all men who call themselves Labour men, or who may pose as representing the views of workmen in Canada, should think alike. Differences of opinion will be found among them, just as among men in any other walk of life. In the Manufacturers Association many men will be found who advocate co-operation and consultation, saying: "Let us work together with our employees," while others, who are just as honest in their belief, think they should run their business without consulting anybody, and that it is not the concern of others how they conduct their affairs. Thus necessarily there are differences of opinion on both sides.

But I state to my honourable friend that this penetration is going on to-day. The so-called One Big Union movement penetrated first into the shop trades of the railways in Canada. It did not succeed in penetrating the other branches of railway service, but it has gone out under other names, changing its coat and looking like something else, and is doing the same thing. This very day there is an application before the Department of Labour for a Board of Conciliation, made by two men who were expelled last December from a bona fide Trade Union with whom one of our railways has an agreement that is still in force, and satisfactory to both parties, neither of whom has asked that it be changed. Those men are now seeking the establishment of a Board of Conciliation to determine what? To determine whether or not this new radical revolutionary movement within that branch of railway service is going to be recognized by the railway; the railway company having refused to deal with them or recognize them, saying: "We have an agreement with our men in this branch of service that is perfectly satisfactory to us." It is obviously satisfactory to them, because they have not asked to have it changed. Yet there is some doubt as to what the Department of Labour is going to do with reference to that

application. There would not have been any doubt a few years ago as to what would have happened to that application. Similar ones have been before the Department of Labour, to my knowledge, at various times since 1915.

I hope the Government will realize the importance of this whole situation, of the various and wide ramifications of this movement, and that, instead of continuing to encourage that sort of thing, they will stand behind the hundreds of thousands of Labour men in this country who belong to trade unions that have established principles such as Mr. Green announced in his Denver speech. Instead of attempting to discourage the work that the unions are endeavouring to do, the Government should help them, as well as those who employ capital, to develop and improve this country. I trust the Government will lend their energies to assist in that direction instead of lending an ear, however necessary it may be from the standpoint of political expediency, to those whose past history and present utterances indicate clearly that what my honourable friend read from the Winnipeg Free Press is more than true.

The Hon. the CHAIRMAN: Shall clause 1 carry?

Some Hon. SENATORS: Lost.

Hon. Mr. DANDURAND: Honourable gentlemen. To pronounce the word "Lost" or "Carried" is not sufficient when a measure comes to this Chamber with the stamp of general approval from the Commons, especially when it comes after a second or third effort to put on the Statute Book the proposed legislation. It seems to me that this House owes to itself and to the other branch a clear expression of opinion as to the value of the legislation brought to it. It is a question of policy.

It is admitted that this is exceptional legislation; which in the opinion of many people smacks of tyranny; but there is an expression of opinion coming, I believe, from all the legal gentlemen, who spoke in the other Chamber, that this exceptional legislation is to be found in the general clauses of the law which governed this country for 50 years before 1919. Apparently, in the eyes of the representatives of the people, the legislation passed by Parliament in 1919 was no longer useful; in their opinion it was sufficient that we should rely upon the legislation which we had previously For this reason I would ask that those who are supporting my honourable friend should rise, so that we may feel that there is an absolute majority in this Chamber against this legislation.

Section 1 was negatived: yeas, 24; nays 36.

On section 2—section 133 re-enacted; intentions not seditious:

Hon. W. B. ROSS: You cannot have that in without the other.

Hon. Mr. DANDURAND: I claim that this clause can well be restored to our Statute Book. It seems to me that it embodies the principles for which a struggle took place throughout the old land and in Canada, and it is only proper that it should be restored.

Hon. Mr. McMEANS: I would suggest to the honourable leader that as this legislation comes before this body every year, these amendments to the Criminal Code, like a hardy annual—

Hon. Mr. DANDURAND: My honourable friend is in error. I think this is the first time that this proposal has come to Parliament—to restore clause 133 to the Statute Book.

Hon. Mr. McMEANS: I quite understand that, but I was going to suggest that this was a matter of very great importance to the country, and, as the Government is in possession of a great deal of information in regard to these seditious societies, I think such an important matter should be sent to a Committee, where that information could be produced in order to show what is really the state of the country.

Hon. Mr. DANDURAND: The Senate has refused to dispense with 97A and 97B, but I would ask my honourable friend to look at this clause, and he will find an exception to what constitutes sedition. It reads:

> No one shall be deemed to have a seditious intention only because he intends in good faith,—
>
> (a) to show that His Majesty has been misled or mistaken in his measures;

The words "His Majesty" would mean His Majesty's Government. Then it goes on:

> (b) to point out errors or defects in the government or constitution of the United Kingdom, or of any part of it, or of Canada or any province thereof, or in either House of Parliament of the United Kingdom or of Canada, or in any legislature, or in the administration of justice; or to excite His Majesty's subjects to attempt to procure, by lawful means, the alteration of any matter in the state; or,
>
> (c) to point out, in order to their removal, matters which are producing or have a tendency to produce feelings of hatred or ill-will between different classes of His Majesty's subjects.

Surely this legislation, which has been on our Statute Book for many years, certainly since we codified our laws, is legislation that

should be found there. For this reason I suggest that this clause be adopted unanimously.

Hon. Mr. McMEANS: I was going to suggest to my honourable friend that this matter be refered to a Committee, and that the Government should be honest with that Committee, and call in their officials, and give us the evidence which exists as to these secret societies in this country. I understand that such societies are flourishing here, and that one of their purposes is to undermine the constitution of the country. That Committee could send for the Chiefs of Police of different cities, and with their testimony, and the information furnished by the Government, we would be in a position to judge what real danger there is from those seditious societies, and what legislation it is necessary to enact for the protection of the country as a whole.

I quite agree with my honourable friend that it is unnecessary to load up our Statute Book with legislation such as that set out in 97A and 97B if there is no necessity for it; but I think it is the duty of my honourable friend to show this House that there is no such necessity. I have not very much information on that point, but I know that even Sunday Schools are being used for propagating the doctrines of Bolshevists, or what are called Reds; and I want to tell my honourable friend that those revolutionists are training the minds of the young, so that this country is now, or will be in a very few years, in a rather dangerous state. I think it is the duty of the leader of the Government, and the Government itself, to gather together these facts and submit them to us, so that they may be laid before the country.

Hon. W. A. GRIESBACH: I venture to assert that at this moment the Department of Justice has the reports of its own Secret Service setting out specifically, and in larger measure, the facts that were read by the honourable gentleman from Montarville (Hon. Mr. Beaubien). The Government has those facts now, if they would only submit them. I know what some of those reports contain, for I have come in contact with them. They are reports from the Mounted Police, whose secret service covers the whole country. If it were possible to have all of these reports laid before a Committee—though I question whether the Government would submit them—I am sure the effect would be very illuminating.

Just a word in regard to this clause. My honourable friend the leader of the Government says it is older than the Code, but I question that. However, my point is that this clause was put into the Criminal Code of Canada to deal with a condition of affairs which confronted the country at that time. I think that the conception which people had of sedition at that time was a form of political unrest carried beyond reasonable limits, ending in some form of armed rebellion within the country. The original framers of this clause had no reason to suspect or consider for a moment the existence of the Communist doctrine, which had not then come upon the scene.

My old friend from Montarville (Hon. Mr. Beaubien) uses the words Socialism and Communism as interchangeable terms. I must differ with him, because as a matter of fact they are not interchangeable. Socialism is sometimes defined as the common ownership of things used in common, or some words to that effect. There the Socialist stops: he advocates his views by ordinary discussion, by propaganda, and so on. But the Communist comes along and carries that formula to its logical conclusion, saying that what he advocates shall be brought about by force. So he advocates the destruction of ordered Government by force. The people who framed this clause had no knowledge of that proposal, but in 1919 this country became acquainted for the first time with the system of Communism and what it means. I venture to assert that only by the clauses which we voted upon a moment ago can Communism be dealt with; and if we reinserted clause 133 we would nullify the other clauses, or soften them so as practically to nullify them.

My honourable friend spoke of his objection to this form of legislation as smacking —he almost said of medievalism—as smacking of legislation to protect an arbitrary Government against its own people; but I submit that this legislation is designed to protect the people of this country from interlopers who have come here to destroy the ordered Government of Canada. I agree with all that has been said by the honourable gentleman from Montarville, subject to his refusal to differentiate between Socialism and Communism, and I fully agree with all that has been said by the honourable gentleman from Welland (Hon. G. D. Robertson).

Hon. Mr. DANDURAND: I would draw attention to the fact that under clause 41 of the Immigration Act, which we did not repeal, there can be deportation without any regular trial.

Hon. Mr. GRIESBACH: But you cannot deport the result of the teachings of Bolshe-

vists; that is the strong point. They are controlling the education of other minds. They are actually instructing our young people, and are thus becoming a menace.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I voted against the first clause on exactly the same grounds on which I based my opposition to section 41 of the Bill which we had under consideration the other day. If this clause stood by itself, I would consider it a clause which in normal times ought to be supported and might well be put on the Statute Book. I have been trying in my own mind to see what would be the effect if, after two assertions by this body, on section 41 of the preceding Bill and on the first clause of this, we took the opportunity of passing this section. I have been trying to determine whether such action would not essentially weaken the stand that the majority of the Senate took on the two preceding clauses. As I have said, this clause involves a proposition which, standing by itself, could hardly be objected to by any person in normal times. But would it be wise to insert it after abstracting the other two clauses? Further, is such an affirmation necessary? It is implied and inherent in our constitution.

I differ absolutely from the opinion of my honourable friend who leads this House, that in this respect that we in Canada are in an easier position to-day than we were in 1917. Looking abroad, and taking into consideration the whole field—and that is what we must do nowadays, because no country stands by itself—I do not find that the moving spirit which is at the heart and kernel of this great drive against constituted authority has at all slackened in its propaganda or the vigour with which it is spreading and applying it. We had very good proof to the contrary only the other day. Taking a broad view, you cannot look at any quarter of the wide world in which there is trouble which threatens existing institutions without finding underneath it the spirit and genius of the Russian Soviet. When trouble arose at Shanghai a year ago, you found the Bolsheviks and the Soviets there. Canton has been in a state of armed conflict amongst factions for the last year or more, and there again the Soviet Government, by their money, their agents and official representatives, were heart and soul in and under that trouble. And to-day the fight is waged along the same lines. Now we get news that the Russian element is being made to recede; then we get news that it has come to the front again. The strife is on. At Pekin we find a similar situation. Take the disastrous internal wars that have been occurring in China during the past two years, and underneath the movements of the Tuchuns or the great military governors you find Soviet Russia active—not only active in propaganda, but active with its cash.

What had you the other day in Great Britain? The tenet of the organization in Russia is: "Wherever trouble shows its head in an organized, well-governed country and you can profit by it, there put your propagandists in, there put in your money." First occurred the strike of the miners, and there was sympathy from Russia. A general strike was ordered by the Trades and Labour Council in Great Britain. There was a splendid oportunity. And what happened? Not only were there propagandists in Great Britain, but millions of money were sent out of Moscow to Great Britain—for what purpose? Ostensibly to assist the labour men in carrying on their strike, but primarily to make trouble for an organized government in Great Britain. The British Government is not given to impulsive and fanatical outbreaks in its foreign policy, and yet within two weeks a strongly worded note went from the British Government, reminding the Russian Soviets in Moscow that not only were they committing a breach of international courtesy and custom, but they were violating the arrangement that they themselves had made in treaty with Great Britain by sending money to the country for the purpose of making it difficult for constitutional government in Great Britain to be carried on.

These are facts and you cannot escape from them. Compare the situation in Moscow to-day with what it was two, three or four years ago. In the circle which commands influence and directs affairs there is now a more thoroughly organized and stronger determination to make trouble everywhere in the world until the present conditions of society and government are overturned. Canada will not be left out of that effort. Canada is not being left out. My honourable friend may stand upon the high principle of trust in the Canadian people; he may be confident that they will be equal to all events; at the same time I think it is well that we should lock our doors to keep out the burglars, and should keep in our own hands the instrumentalities for the protection of the family, of church and religious life, of social life as we understand it, of our municipal and our national life. The Bolshevik is opposed to every one of these. If he had his way there would be no family; there would be no religion; there would be no government except the govern-

ment of force, the principle. "Take all; give nothing." That spirit is abroad. Although we have at this very moment probably the strongest peace influences that ever were had in the world, no man with a head on his shoulders can, in looking over the world, be satisfied that we are not in for even more and deeper trouble than we have experienced. It is only because of these new influences for peace that society has been enabled so far to strive successfullly against the spirit of discontent which is at work everywhere. It is working in Canada. We have in this country not only honest Canadians, not only people who have been born under our institutions, who have grown up under them and are loyal to them, but we are every year taking into our country a certain number of people who, while good in themselves, have not been born in the atmosphere of British institutions, and whose views are in many respects antagonistic to ours. It is upon these people that the propaganda is working to-day. It is the teaching amongst the children of these people that is preparing the citizenship of the future for operations which are adverse to the moral health, the progress and the permanence of our country.

Therefore I repeat what I stated the other day: the present does not seem to me to be the time to retreat. Every move we make to soften our opposition to this wrong propaganda is an encouragement to the propagandist himself and weakens the position of law and order in this country. Now, as a mere matter of voting, I do not like to vote down a proposition like that, and I have felt obliged to give my views on it, to show that, whilst I agree that it is perfectly right and just, I question whether the present is just the time when we should put the proposed section upon our Statute Book, or whether in any case it is necessary to affirm what is already inherent in our system.

Hon. N. A. BELCOURT: Honourable gentlemen, I can quite understand the cogency of some of the arguments that have been advanced by the last three speakers as applied to the section which has just been defeated, but I cannot at all see the applicability of what has been said to the proposed section 133. I am afraid that honourable gentlemen have been so carried away by their desire to prevent the propaganda which is being carried on that they have failed to recognize the basic principle embodied in section 133. If honourable gentlemen will read that section carefully they will see that it concerns not the propaganda of Bolshevism but the strongest and plainest rights of Canadians as a whole. What is the result of denying this proposition? I take but one illustration, it means that newspapers may not do what it is not merely the right but the duty of us all to do, that is, to criticize Government measures. The thing is so plain to me that I cannot understand how it could escape the attention of anyone who would scrutinize it:

133. No one shall be deemed to have a seditious intention only because he intends in good faith,—

(a) to show that His Majesty has been misled or mistaken in his measures.

That applies to the Government of the United Kingdom; it applies to the Government of Canada; it applies to the Government of any one of our Provinces. No one would be allowed to criticize publicly the Acts which have been passed during this Session—you could not discuss some of the measures which the Senate has refused to adopt, for to discuss them would be sedition —if the principle contrary to that enunciated in the proposed section 133 is admitted.

Let us follow it up:

To point out errors or defects in the government or constitution of the United Kingdom.

Why, you could not criticize the Constitution of Canada; you could not suggest any amendments to it. The mere suggestion, for instance, of the abolition of this House could not be advocated or urged in any way. You could not, for instance, advocate—

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

Hon. Mr. BELCOURT: Let me at least finish my phrase. You could not urge, for instance, that in the future we should have no Governor General from the other side—that the Governor General in future should be a Canadian.

Hon. Mr. GORDON: We do not want to urge that.

Hon. Mr. BELCOURT: You do not want to urge that, but I mean that you would be guilty of sedition if you did.

Right Hon. Sir GEORGE E. FOSTER: Oh, not at all.

Hon. Mr. ROBERTSON: If my honourable friend has finished his sentence, may I ask the question now? Is his argument that the law as it stands to-day does not permit one to express an opinion with reference to an Act of Parliament, or to the reform of Parliament?

Hon. Mr. BELCOURT: No, I do not say that.

Hon. Mr. ROBERTSON: Well, then—

Hon. Mr. BELCOURT: Is my honourable friend going to make a speech? I intend speaking for only five minutes; so I think he had better let me finish.

Hon. Mr. ROBERTSON: All right.

Hon. Mr. BELCOURT: I do not pretend for one moment that these are things that you cannot do to-day.

Hon. Mr. ROBERTSON: Then the insertion of this would not change the situation.

Hon. Mr. BELCOURT: It would, because you are putting on record the principle that the doing of those things is not seditious. That is what you do by Section 133.

Right Hon. Sir GEORGE E. FOSTER: Not at all.

Hon. Mr. ROBERTSON: Not in the instance that the honourable gentleman has just mentioned.

Hon. Mr. BELCOURT: If you do not admit the principle contained in this proposed section 133 you are refusing to acknowledge a principle which is in our law, that everybody has the right to criticize the things mentioned in this section.

Hon. Mr. ROBERTSON: A right which everybody enjoys now.

Hon. Mr. BELCOURT: Parliament is putting itself on record—

Hon. Mr. BEAUBIEN: Will my honourable friend allow me just one question, because I think it would be very useful? I understand that this section is submitted for the purpose of preventing any person from being accused of sedition when he ought not to be so accused. Take the first paragraph. Will my honourable friend show me in the Criminal Code, any section that could be invoked to accuse or convict of sedition a man who would attempt to show that His Majesty had been misled or mistaken in his measures?

Hon. Mr. BELCOURT: No, no. My answer to that is as plain as can be. Why refuse to admit the principle, then? That is what you are doing.

Hon. Mr. BEAUBIEN: But my contention is this. You want protection against an abuse of the law. Where is the abuse? The answer is, it does not exist. Then, if there is no illness to cure, why should you ask for a remedy?

Hon. Mr. BELCOURT: My argument is based entirely on this, that if you vote against section 133 you are refusing—

Right Hon. Sir GEORGE E. FOSTER: Will my honourable friend allow me a question?

Hon. Mr. BELCOURT: I had better sit down.

Right Hon. Sir GEORGE E. FOSTER: I think my honourable friend will allow me. He is arguing from a wrong premise. His argument, if I understood him aright—and he will correct me if I am wrong in this—was that if you do not pass this section, anyone who gets up and attempts to show that His Majesty has been misled or mistaken in his measures, and so on, is guilty of sedition.

Hon. Mr. BELCOURT: No, no. I do not say that.

Right Hon. Sir GEORGE E. FOSTER: That is the argument. It is intended that way.

Hon. Mr. BELCOURT: No, no.

Right Hon. Sir GEORGE E. FOSTER: If the section read, "Anyone shall be deemed to have a seditious intention if he attempts to show that His Majesty has been misled or mistaken in his measures," and so on, that would be a positive enactment. That would carry out the argument of my honourable friend.

Hon. Mr. BELCOURT: No, that is not my argument.

Right Hon. Sir GEORGE E. FOSTER: But it is not a positive enactment in that way.

Hon. Mr. BELCOURT: That is not my argument.

Right Hon. Sir GEORGE E. FOSTER: I did not understand what it was.

Hon. Mr. BELCOURT: I am sorry. But I will try to make myself clear.

Right Hon. Sir GEORGE E. FOSTER: I will keep both ears open now.

Hon. Mr. BELCOURT: I say that if you do not admit—if you vote against—section 133, you refuse to recognize a principle which is recognized and has been acted upon in our Criminal Code.

Hon. Mr. GRIESBACH: What is the principle?

Hon. Mr. BEAUBIEN: Yes, what is it?

Hon. Mr. BELCOURT: The principle that these things can be done. If my honourable friends were to argue that it is not necessary to have section 133, I could understand their argument.

Hon. Mr. ROBERTSON: That is it.

Hon. Mr. BELCOURT: But what is put forward is not that; there is simply a confusion of the subject-matter of section 133 with the subject-matter involved in sections 97A and 97B. I am trying to point out that the reason advanced against section 133 might well be advanced (though I do not agree with it and I voted the other way) against sections 97A and 97B; but to apply that argument to section 133 is something which seems to me to be wholly illogical. It seems to me that any honourable member, though he had voted against the first section of this Bill, might very well support this section 2. The two sections are not bound together. They deal with different subjects, and to vote against one and in favour of the other would not be at all inconsistent. I say that the proposed section 133 contains a principle which, as I understand, my right honourable friend (Right Hon. Sir George E. Foster) would not deny. I understood him to say that he was quite willing to admit its reasonableness; that in ordinary times he would vote for it, and he disliked to vote against it now. That position I quite understand. I say that if you vote against the subject-matter of section 133 you are voting against a principle or a doctrine which is to be found all through our law, and in accordance with which we have always acted. That is the position I take. I repeat that if some honourable gentlemen wish to vote against section 133 on the ground that it is already in the law and that it is unnecessary to put it in again, I can understand the argument.

Hon. Mr. GRIESBACH: Is it not a fact that everybody admits that what is contained in this section is, shall I say, the common law; that it is a matter of common knowledge and common acceptance, to such an extent that it is unnecessary to put it in the law; and that what is proposed is dangerous in that it might qualify and weaken the other section?

Hon. Mr. BELCOURT: Nobody has presented that argument before. I cannot understand the argument applied to 133 being applied to 97A and 97B.

Hon. Mr. DANDURAND: Now we are just at the point of disagreement. It is just possible that it may weaken 97A and 97B: it may soften the whole texture of the Act. Even if it had that effect, I believe that it is a step that we should all agree upon, because it simply carries on a general principle, and for this reason I ask that we divide upon the adoption of that clause.

Section 2 was negatived: yeas, 19; nays, 26.

On section 3—seditious words, punishment:

Hon. Mr. DANDURAND: I take it for granted that the vote will be the same on this clause.

Hon. W. B. ROSS: Yes.

Section 3 was negatived.

On section 4—carnally knowing girl between 14 and 16:

Hon. Mr. DANDURAND: Honourable gentlemen, I do not know the state of mind of the Senate as to section 4. I suppose I need not give any further explanation than I gave on the second reading. I move the adoption of this clause.

Hon. W. B. ROSS: I have to oppose this section. Section 301 of the Code deals first with offences against girls below the age of 14 on the principle that they are not natural offences. Parliament has legislated on the assumption that such a crime can be attributed only to one person, namely, to the man. There has never been any quarrel with that principle in this House; we have always recognized that if a man assaults a girl below the age of 14 he is outside the pale and should be severely punished. As to girls between the age of 14 and 16, it is different. The offence there is treated as a sexual offence. We have always taken the stand that the section should not operate unless it is proven the girl was of previous chaste character. In connection with that, you must remember that the law is careful to say that she is presumed to be of previous chaste character unless there is positive evidence to the contrary.

Then there is the portion of the clause requiring corroboration. I cannot find that you provide for that.

Hon. Mr. DANDURAND: The explanatory note is not complete. The law was amended last year by chapter 38 of 1925.

Hon. W. B. ROSS: If that is correct, my objection would go. There is no use having it in two places in the law. If the honourable gentleman is certain that it is in the Act of 1925, I am content, but I could not find that feature covered by following the marginal notes and explanations.

Hon. Mr. DANDURAND: The Deputy Minister of Justice so informed me. I will verify it.

Hon. Mr. CURRY: Would this apply to girls of 14 or 15 in a house of ill fame? I understand there are plenty such.

Hon. W. B. ROSS: It would if you passed this Bill.

Hon. Mr. CURRY: It might be made use of for blackmail.

Hon. W. B. ROSS: The words "previous chaste character" were put in to guard against that very thing. I am perfectly willing that severe laws should be passed against criminals of this class, but in endeavouring to do right we must be careful that we do not do wrong.

Hon. Mr. DANDURAND: I am not sure that all members understand the purport of this amendment. Section 301 now reads:

> Everyone is guilty of an indictable offense and liable to imprisonment for five years who carnally knows any girl of previous chaste character under the age of sixteen and above the age of fourteen, not being his wife, and whether he believes her to be above the age of sixteen years or not.

The words "of previous chaste character" are to be dropped. If this Bill passes, there can be no question raised against her character if the connection is established.

Hon. Mr. BELCOURT: What brought about this amendment?

Hon. Mr. DANDURAND: We have discussed it more than once in the Senate. It is primarily brought forward at the demand of many societies who are interesting themselves in young girls, and who believe that they should have that additional protection. It is in order to make the offence more serious, and to prevent the allegation that the girl was not of previous chaste character.

Hon. Mr. CASGRAIN: There is no seduction there.

Hon. Mr. BEAUBIEN: In the course of my practice a very sad case come to my knowledge. A young man who came from Europe was enticed by a girl of less than fourteen but who appeared to be very much older than she was. He followed her, with the result that an accusation was laid, and although it was proved that this girl looked like a woman, and that she had been in a house of ill fame, the man had to be condemned and was sent to the St. Vincent de Paul penitentiary.

Hon. Mr. McMEANS: That is not this section.

Hon. Mr. BEAUBIEN: Yes. Then the law was changed so that between the ages of fourteen and sixteen the girl had to be of previous chaste character. Now what do you want to do? You want to render more rigorous a clause which can be applied with terrible rigour. If a young man should have the misfortune to be led astray by a girl of sixteen who might look eighteen or twenty, and who had for two or three years been in a house of ill fame, there would be no alternative but to find him guilty and send him to the penitentiary for five years. It seems to me that we must be very careful lest we forge some of these articles of the criminal law into instruments for blackmail, and with the intention of protecting society inflict a scourge upon it.

Section 4 was negatived: yeas, 13; nays, 37.

On section 5—right of appeal of Attorney General:

Hon. Mr. DANDURAND: Honourable gentlemen, when the criminal appeal amendments were put into the Code in 1923, the right which the Crown theretofore had of going to the Court of Appeal in proper cases upon questions of law was taken away, and the purpose of the proposed amendment is to restore to the Crown the same right of appeal which it formerly had.

I recognize that this matter has already been examined into by the Senate, and that it did not feel like giving the Crown that right. The Committee, to which was referred the Bill, took the ground that once an accused person has appeared before a court of competent jurisdiction and has been found not guilty, whether by mistake of law or otherwise, the Crown should not be at liberty to drag him before another court. It seems to me, however, that in adopting this view the Committee did not have due regard to the proper administration of justice. It appears to me incredible that we should proceed upon the view that questions of law arising in the administration of justice are to be left to justices of the peace, magistrates and other courts of first instance, thus adopting the principle that the rights of the public are to be left to the lowest courts, although by the same law the criminal classes are permitted to carry their appeals to the highest court of the province, and in some cases to the Supreme Court of Canada. The majority of the questions which arise on the prosecuting side are of general application, and it should be possible for the Crown to obtain the decision of the Court of Appeal in proper cases for the guidance of the lower courts, thus ensuring uniformity in the administration of the law.

The Department of Justice has felt like insisting on obtaining the right for the Crown of an appeal upon the law because there have been decisions rendered in different Provinces which are in absolute contradiction. I urge the Senate to give to the Crown such right of appeal to a higher court for a just interpretation when there is a conflict in the

decisions given throughout the land. I remember that last year we had a case where, there had been two contradictory decisions, one in Alberta and one in Saskatchewan, and it was sought to obtain the right of appeal to the Court of Appeal in order to secure a just and binding interpretation that would govern the inferior courts.

For that purpose I ask that we pass this amendment.

Hon. Mr. McMEANS: As a member of the Committee that dealt with this matter last Session, I desire to explain why the Committee threw out that provision. It is an old principle of British law that a man shall not be placed in jeopardy twice, and the view taken by the Committee at that time was this. The Government is a huge machine: it can prosecute with vigor, and bring officials from all over the country. A trial takes place before a judge, and the accused is found not guilty. The Crown Prosecutor is sometimes very anxious for a conviction, so he raises a dispute with the judge, who rules against him. Then he determines to appeal. That procedure costs him nothing; the Government is behind him; he has this huge machine at his back, and he can spend all the money he needs. But what about the unfortunate accused man? He has already perhaps been ruined by the expenses of his trial; his witnesses are dispersed, and he may not be able to get them again.

When the appeal goes on, perhaps the Appeal Court holds that the judge was wrong on some trivial matter, and a new trial is ordered. The trial is held before another judge, who may also rule wrongly, with the consequence that there will be a second appeal and another trial. What will become of the unfortunate defendant? It would have been better for him to have pleaded guilty and taken his punishment than to be crushed under the tremendous expense of the legal procedure that is set in motion by the Crown Prosecutor.

I have received a letter from the Crown Prosecutor in Winnipeg urging me very strongly to support this measure. He tells of a case that came up in connection with the celebrated Bingo mine. A couple of gentlemen in Winnipeg had gone into a stock speculation which proved disastrous, and they sent over to England and had a man named Myers arrested. The trial was carried on for three or four weeks in Winnipeg at great expense, witnesses being brought from all over the country; but the accused was found not guilty. They then charged him with another offence in the same transaction, and had another trial before a Superior Court judge, lasting three weeks, with the result that he was found not guilty on the second trial. On that occasion the Crown Prosecutor had some pretty strong arguments with the judge. He complained bitterly that the judge had ruled against him, and he wanted an appeal, and wrote me this letter saying that the judge did not treat him fairly, and that I could see the position he was placed in.

Now, what would be the result of an appeal? The Court of Appeal might or might not agree with the trial judge, but the accused would have to be represented in the Court of Appeal, and he would have heavy expenses to pay. Perhaps the Court of Appeal would rule that the trial judge erred in admitting or rejecting evidence, and they would order another trial. This would come before another judge, with the same prosecutor; and possibly that judge would rule against him in regard to the reception or rejection of evidence; so there would be still another trial. Now, what position would that accused man be in? He would have had three or four trials which have cost the country a great deal of money, but did not cost the Crown Prosecutor anything, while the accused man is ruined.

I prefer that the old principle of British law, which we have enjoyed for many years, should prevail—that if you place a man once in jeopardy, you shall not place him in jeopardy another time. The Senate Committee last Session was composed of most of the lawyers in this House, and they were unanimous in deciding that that clause should not be passed.

Hon. Sir ALLEN AYLESWORTH: Honourable gentlemen, I look with very little favour on changes in the criminal law, because I think the experience of centuries has produced a code of criminal law, now in force in this country, which is probably as good as we can make it. I have the feeling that it was a mistake ever to have conferred a right of appeal in criminal cases upon an accused, or on anybody. But that change in our law has recently been made, and we have now a Court of Criminal Appeal in each Province, and any accused person convicted has the right of appeal, with the right on the part of the Appellate Court to change the sentence, to order a new trial, or to make such disposition of the matter as in their judgment is right.

Well, so long as you have that condition of the law, is it not in the public interest that that right of appeal should be conferred upon

the prosecution as well as upon the defending accused person? It would seem to me to be so. This provision of the Bill now under consideration, it will be observed, is strictly limited to an appeal upon a matter of law. Now, if such an appeal is taken by the Attorney General, as representing the Crown, the Court of Appeal has no power to pronounce the accussed guilty, and there is nothing to the detriment of the prisoner except a second trial; and a second trial for what reason? By reason of some error in law in the first trial.

Take an instance that may arise any day in the week. Suppose upon the evidence and the facts of the case there is little room for doubt, and suppose the judge erroneously takes the view that the facts established do not in law constitute an offence, and tells the jury so, and directs them that their duty is to acquit because, upon the practically admitted facts of the case, the offence charged has not been committed. The prisoner is accordingly acquitted. If the judge has in truth erred entirely, ought the accused not to be tried upon the facts, and upon a correct statement of the law to the jury? That is all that would be accomplished if this change in our present law be made, and the right to appeal be given to the Attorney General.

Or take another case, which is very liable to arise as long as judges are human, and may make an error as to the law. Suppose in the course of a trial the prosecution tenders a piece of evidence which is all-important, but the judge presiding erroneously rules that that evidence is not admissible, and excludes it, and the prisoner is acquitted. If there is a right of appeal by the prosecution, the Court of Appeal will correct that error by saying: "This evidence was wrongly rejected; it is perfectly good evidence, and we will order a new trial, so that at the new trial that evidence may be admitted." Well, it is perfectly true, in a sense, that that decision has put the prisoner a second time in jeopardy; but ought it not to be so? He was on the first occasion released from his jeopardy because the judge made a mistake in his law. His jeopardy is renewed if a second trial is ordered; but in fact it is only a continuation of the original jeopardy in which he was placed from the moment that his case was put into the hands of the first jury.

It would seem to me, with all deference to the opposite opinion, that a provision of this kind is a very proper one if you are going to permit an appeal at all.

Section 5 was agreed to: yeas, 26; nays, 20.

Hon. Sir ALLEN AYLESWORTH.

On section 6—script-frauds; liability to prosecute:

Hon. W. B. ROSS: Honourable gentlemen, there are a few words in subsection 2 of this section which may make very vicious law if adopted. They are these:

Anyone who commits or has at any time heretofore committed any offence—

It will be noticed that these words deal not only with the present and future, but refer back indefinitely. That is contrary to all the principles of British legislation. When the honourable gentleman moves the adoption of this clause, I would move in amendment that the words be omitted:

Or has at any time heretofore committed.

That will make the subsection deal with the present and the future, but take away the retroactive effect.

Hon. Mr. DANDURAND: I would not be sure that the end which my honourable friend has in mind would be effected by his amendment. I understand that the idea of this enactment is to wipe out section 20 of chapter 25 of the Statutes of 1921, and the effect of that section, so that, drafted as it is, it will be as if it had never been in existence. It will re-establish all the parties in the state in which they were the day before this chapter 25, section 20, of 1921, was passed. There is no question about it: it is retroactive so far as it declares that all offences committed prior to 1921 can come under the law. It says:

Any one who commits or has at any time heretofore committed any offence relating to or arising out of the location of land which was paid for in whole or in part by script or was granted upon certificates issued to half-breeds in connection with the extinguishment of Indian title, shall, with respect thereto, be liable to prosecution or to an action for penalties or forfeiture in the same manner and to the same extent as if said subparagraph (iv) had never been enacted.

I am informed that the case which is supposed to have called for this amendment is the only case that will not be reached, even when this Act is passed. At the time the Act was passed, a charge had been laid against a party whose name I do not exactly remember —and it is perhaps as well not to name him. I am speaking now with the authority of the Deputy Minister of Justice, whom I consulted. The prosecutor erroneously thought that he was absolved by the statute of 1921, and there was a nolle prosequi, so that he cannot now be tried again for the same offence. Yet, apparently, parties in the West believe that the situation should be re-established completely as it was before this Act came into force. I mention this fact because there may be an impression that the party who got the

effective protection under this Act—to which he was not entitled—will have the advantage of having been absolved from the offence, if he ever committed the offence, because the action was withdrawn by the Attorney General.

Hon. W. B. ROSS: It is a very bad state of things that a man is charged with an offence and there is a nolle prosequi entered, that the crown is unwilling to proceed, and that the prosecutor, working in the name of the Crown, took this step because he had made a mistake about the law. I think that ought to end the matter. I think it is grossly unfair to say years after that you will revive this in order to get over the error of judgment made by the prosecutor.

Hon. Mr. DANDURAND: No, it would not cure that mistake in the withdrawal of the case.

Hon. Mr. ROSS: No, but it will throw that man open to an action. If it does not do that, there is no need of the section. Only a glance at the section is needed to see that if you make it wide open, and extend back to any length of time an action for the sale of script, such action may be brought against a man when every witness that he could have called to prove his innocence, or to prove the facts connected with the prosecution, may be dead and gone, or his books may be lost. I think that we need not go further than the general principle that retroactive legislation of any kind is obnoxious, and you have to make out an extremely strong case to get this House, or, I think, any British Parliament, to pass it.

Hon. Mr. DANDURAND: This amendment was not introduced by the Minister of Justice, but was moved in the House of Commons. It may be that in my short explanation I have not done justice to the clause, and I would prefer to have the Committee retain the Bill, so that I may submit a further statement later. This part of the Bill is not a Government measure. It was added in the Commons, and I would like to submit the explanations which I presume were given in the other House.

Hon. W. B. ROSS: I hope it is not political.

Section 6 stands.

Hon. Mr. McMEANS: Honourable gentlemen, may I ask your indulgence for a few moments in order to submit, on behalf of the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton), some amendments to this Bill, which I think are not of a contentious nature. One is an amendment to add at the end of the Bill the following clause:

Section two, paragraph (7) sub-paragraph (2) of the said Act, as enacted by section one of chapter forty-three of the Statutes of 1920, is hereby repealed and the following sub-paragraph substituted therefor:—

"(a) Any three judges of the High Court Division of the Supreme Court of Ontario designated by rules of court."

This was handed to me by the honourable member for Hamilton, who, after some consultation with the judges in Ontario, wanted to have this inserted in the interpretation clause to show more clearly what constitutes a Court of Appeal in Ontario.

Hon. W. B. ROSS: A Court of Appeal in criminal cases?

Hon. Mr. McMEANS: Yes.

The other proposed amendment is an amendment to subsection 1 of section 1014 of the Criminal Code:

Paragraphs (b) and (c) of section 1014 (1) are hereby repealed and the following substituted therefor:—

(b) That the judgment of the trial judge should be set aside on the ground that it is contrary to the law or evidence.

The reason for that amendment is this. The criminal appeal law was copied from the English Act, and in the Old Country the trials are principally by jury. As the present clause is drawn, the judges feel that there must be "a miscarriage of justice" before they can hear the appeal and set aside the judgment. The judges want the clause worded as in this amendment, in order that they may set aside a judgment without being obliged to imply that there has been "a miscarriage of justice." This is merely a formal amendment. There is nothing in it of a contentious nature.

Hon. Mr. DANDURAND: The honourable gentleman is submitting those amendments. We will not dispose of them now. I will obtain the opinion of the Department of Justice with regard to them, and we can take them up when we again go into Committee. The amendments will appear in Hansard, and honourable gentlemen will be able to read the text of them and the remarks of my honourable friend.

Hon. Mr. WILLOUGHBY: From a conversation I had with the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton), I think they refer to the constitution of the Court of Criminal Appeals in Ontario.

The Hon. the CHAIRMAN: I am given to understand that we cannot receive them in Committee of the Whole.

Hon. W. B. ROSS: They can be presented on the third reading.

Progress was reported.

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

THE SENATE

Friday, June 18, 1926.

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

Prayers and routine proceedings.

PRIVATE BILL

THIRD READING

Bill 12, an Act respecting Joliette and Northern Railway Company.—Hon. Mr. Gordon.

DIVORCE BILLS

FIRST READINGS

Bill Y6, an Act for the relief of Edward Barker.—Hon. G. V. White.

Bill Z6, an Act for the relief of Joan Henderson.—Hon. G. V. White.

SOLDIER SETTLEMENT BILL

REPORT OF SPECIAL COMMITTEE

Hon. Mr. MACDONELL moved concurrence in the report of the Special Committee on Bill 17, an Act to amend the Soldier Settlement Act, 1919.

Hon. Mr. TAYLOR: Honourable gentlemen, this is a very important Bill. Before this report is adopted, I think it would be seemly if we were to have some explanation of the amendments.

Hon. F. L. BEIQUE: For my part, honourable gentlemen, I intended to give some explanations upon the third reading of the Bill; but if it is desired I may give them now. I think it is but fair, when we change a public Bill of this importance coming from the Commons, that we should state on what grounds we have acted.

Hon. Mr. BELAND: Before the honourable gentleman proceeds—is it not a rule of the House that the report of a Special Committee on Public Bills shall go to the Committee of the Whole House?

Hon. Mr. CASGRAIN: No, not here.

Hon. Mr. BEIQUE: On examining the Chairman of the Soldier Settlement Board it was ascertained that the working out of the Bill would require a very large organization, and also that through the incompetency of some of the valuators who had been employed by the Board, prices which were too high had been paid. We had it from the Chairman of the Board that in his opinion there were some cases in which the settler was entitled to relief. In dealing with the Board we received the assurance that, being composed of returned soldiers, it is sympathetic with the settlers, and that they shall have justice. We were also informed that from the beginning the Board kept in contact through its officials with every settler, and had reports as to his conduct and the manner of his cultivating the land, and all available information on the value of the land.

The Board were confronted with this situation. The Bill as passed by the Commons dealt with a great number of cases, possibly amounting to some 11,500 or 11,800. Under the Bill as passed by the House of Commons a special tribunal would have to deal with every case if every soldier exercised his power of demanding his own arbitrator. It was thought that this would involve a very large expenditure which might run into millions of dollars, and that this feature should be done away with. That provision of the Bill has been changed so that every case will be referred to the Soldier Settlement Board, who will pass upon it, and, if the claimant is dissatisfied with the decision of that Board, then he may have an appeal to the Exchequer Court of Canada. It was thought that in that way the soldier claimants would have a guarantee of obtaining justice. In adopting that system of procedure the Committee thought it should insert provisions in the Bill to facilitate an appeal, and the provisions which were adopted by the Committee are wide enough to permit the following procedure being followed.

On receiving the settler's application, which will state the amount of his claim, the Board will at once consult its own records. It will refer the application to its proper officer in the district and obtain from him a report. This report will be communicated to the claimant, who will be given an opportunity to contest or criticize it and further to show that his claim is well founded. After this proceeding, the Board will pass upon the claim. Then, if the settler desires to appeal to the Exchequer Court of Canada, provision is made to facilitate that appeal and to avoid the necessity of his leaving his domicile and coming to Ottawa. The provisions which were adopted for insertion in the Bill will permit of his proceeding by correspondence in supporting his claim or his right of appeal, by opinions, by affidavits, or by whatever other means he may adopt. Therefore the settler will have all possible facilities without any

expense in prosecuting his claim or exercising his right of appeal. The other party in the case will be the Board. The Board will transmit its record to the Exchequer Court Judge, who will then have all the facts before him.

The honourable leader of the Government in this House gave important information in moving the second reading of the Bill; but, although most of the information to which I purpose calling attention has already been given, it might be well to put it on record now, with the remarks that I had the honour to make.

I addressed to the Chairman of the Soldier Settlement Board the five following questions:

1. Number of farms purchased for soldier settlers in each province and total amount paid.
2. Number of settlers in each province who have paid in full, representing a total of $....
3. Number of settlers in each province who have abandoned their farms, representing an amount of $....
4. Number of settlers who have remained on their farms, representing an amount of $....
5. Copy of the letter addressed to settlers and copy of typical answers; giving approximate number of answers and proportion of those who claimed relief and of those who did not claim any relief.

That letter was sent out at the beginning of the year, or towards the end of 1925, and a number of replies were received.

With regard to the first question, as to the numbers of farms purchased for soldier settlers in each province and the total amount paid, the figures are:

British Columbia	2,917
Alberta	4,513
Saskatchewan	4,041
Manitoba	2,531
Ontario	1,812
Quebec	444
New Brunswick	646
Nova Scotia	408
Prince Edward Island	322
Total	17,634

The total amount paid for purchased lands was $54,548,073.29.

To the second question, as to the number of settlers in each province who have paid in full, and the total amount represented, the answer is:

British Columbia	207
Alberta	195
Saskatchewan	131
Manitoba	53
Ontario	139
Quebec	13
New Brunswick	39
Nova Scotia	37
Prince Edward Island	41
Total	855

As at January 1st, 1926.

The total amount represented by loans repaid in full is not immediately available.

To the third question, "Number of settlers in each province who have abandoned their farms," and the amount represented, the answer is:

Vancouver	639	$2,352,193 80
Vernon	282	1,111,847 02
Calgary	572	2,262,692 44
Edmonton	689	1,090,336 23
Regina	431	1,710,676 54
Saskatoon	369	1,322,186 55
Prince-Albert	137	464,646 25
Manitoba	1,045	3,014,598 39
Toronto	473	1,533,378 85
Ottawa	37	118,922 70
Quebec	181	278,463 64
Maritime Prov	392	975,862 03
Dominion Totals	5,247	$16,235,804 44

It should be noted that the above figures, which are of December 31st, 1925, are offset by the fact that on that date we had resold land to the value of $7,881,898.30, the balance of the land remaining on our hands for resale. Of this amount approximately six and a half million is purchased land, and therefore can be deducted from the total given above.

In reply to the fourth question, "Number of settlers who have remained on their farms," and amount represented:

British Columbia	2,267
Alberta	4,923
Saskatchewan	4,552
Manitoba	2,143
Ontario	1,339
Quebec	252
New Brunswick	445
Nova Scotia	317
Prince Edward Island	257
Total	16,495

The above figure includes all settlers who are now on the land to whom loans were granted including privately owned, purchased and Dominion lands. The total outstanding balance due from these men is $72,138,000 including all advances for land, permanent improvements and stock and equipment. These figures are taken from General Balance records maintained at head office and are only approximate.

Hon. Mr. CASGRAIN: At what date would that be?

Hon. Mr. BEIQUE: It is practically at this date. Honourable gentlemen will notice that the amount which was originally paid for the purchase of land was $54,548,073.29. The difference between that figure and the $72,138,000 that I have just mentioned, was made up of advances for stock and improvements.

I have here a note reading:

Letter addressed to settlers attached hereto, also eleven typical answers received. These latter are originals, and it would be appreciated if they might be returned to the Soldier Settlement Board.

1286 replied explicitly by letter and approximately 400 verbally to their Field Supervisors. The approximate proportion of those who claimed relief to those who did not claim relief was 60 to 40.

The letter dated January 26, 1925, reads as follows:

Dear Sir:

As you have no doubt seen in the Press from time to time, representations have been made to the Government with respect to an adjustment of the debt of Soldier Settlers.

In some quarters it is urged that a revaluation of Soldier Settler lands should take place. It is probable that Parliament will agree to a flat reduction of the amount paid for stock in any event.

It is with respect to the value of the land as compared with the price paid for it, that it is hard to procure definite information for the reason that farms vary so. Some were bought at a bargain and in some cases too much was paid.

The Government are, of course, desirous of doing what is right, fair and equitable, just as the majority of Soldier Settlers wish to do the fair thing by the people whose funds were used in their re-establishment.

To assist is in making an estimate of what amount Revaluation of the land would involve and without compromising you or prejudicing your right to appeal for Revaluation if that form of relief is decided on, it has been decided to procure your own candid opinion on the matter, relying on your sense of fair dealing.

Will you please answer the questions on the attached sheet and mail to this Office in the enclosed envelope, if possible by return mail.

With best wishes for a successful 1925,

Yours faithfully,

District Superintendent.

I have here a few typical answers. This letter was accompanied by two questions, with blank spaces for the answers, the questions giving first the name of the local agent and reading as follows:

(1) Do you consider you paid too much for your land; and that its value compared with what you gave for it is deflated and that revaluation in your case is warranted?

(2) Approximately what amount of reduction in the cost of your land do you think would be fair and equitable?

The first answer is:

(1) I am satisfied with price paid for land, but price paid for stock too high.

The second answer is:

(1) I did not pay too much for my land. I gave $2,752 for it, and I want at least $3,000 for it if I had it to sell. If we get rain for the next three years it would sell at least for fifty dollars an acre.

To the question regarding the amount of reduction considered fair, the reply is:

When I buy anything I don't howl about it when I have to pay for it.

Another answer:

(1) I do not consider that I paid too much for my land, for the Board bought it for $500 cheaper than I was willing to give, so I have got no kick coming whatever.

Another:

(1) I consider the land at the present value is worth $25 per acre.

And it gives the approximate amount of reduction claimed as $1,000.

Hon. Mr. BEIQUE.

Another one:

(1) No, I do not consider I paid too much compared with other farm sales in this district, but would appreciate a reduction if it is passed by the Government.

Here is another:

(1) Yes.

(2) No interest for five more years.

That is his claim. The next letter reads:

(1) I think that I bought my land at a fair price, though the same kind of land now is selling at a much lower rate.

Then, as to the amount of reduction:

If the Government is anxious to help the soldier settlers out, why not waive the interest, say for ten years?

Another letter: "No." He does not claim that he has paid too much.

(1) Sir, I do not consider I paid too much for my land, and am satisfied its value to-day would be more than I paid for it.

He does not consider that he is entitled to any reduction.

I thought it was important to read some of these typical letters in order to show that generally the settlers have manifested a very fair disposition to stand by their bargain. Other answers are as follows:

(1) With wheat at $2 I got a bargain on my place. With wheat at 86 cents which I got for my crop, $20 an acre was too much. I'll gamble. Revaluation not necessary.

(1) I think the present value of the land is about $12 per acre, but if the land had gone up in value I would not have expected to pay more. I therefore do not expect to pay less if deflated.

(1) At the time of buying my land I paid two thousand dollars for it. To-day if I was to sell I would ask thirty-two hundred, therefore I consider it was a pretty fair buy, thanking you for the honest way in which you are using the S.S.B. men.

(1) No, I could not buy this land any cheaper to-day.

(2) I think I had to pay far too much for lumber and equipment.

(1) None.

(2) None. I consider that the revaluation is necessary on stock and equipment.

(1) No, but in 1923 when I received 72 cents for No. 1 North Wheat I figured it was worth about 5 cents per acre.

I wish to say that I, in common with other soldier settlers about here, selected land for myself and did it with my eyes open.

I am paying for it, and intend to keep doing so, but if any reduction in value is given those who are not paying their way, I consider that I should get the same.

Hon. Mr. BELAND: Honourable gentlemen, I am sure we are all indebted to the honourable Senator (Hon. Mr. Béique) for the very clear and illuminating statement he has given us of the report from the Special Committee. I am particularly glad that provision has been made in the amended Bill

for an appeal, because I surmise that if that provision had not been made Parliament would have been severely taken to task by those soldiers who would not have received a favourable decision from the Board. In the Pension Act, which was amended so substantially a couple of years ago, a provision for appeal from the decisions of the Board of Pension Commissioners was made, but that provision was of a particular nature, inasmuch as the claimant for a pension who is dissatisfied with the decision of the Board may not adduce any new evidence before the Appeal Board. I am not in a position to say what the provision is in this case, because it has not been possible for me to read the amendments, as they are not in our files. I would be very much obliged if the honourable gentleman would inform the House as to whether or not it will be possible for a soldier settler who is not satisfied with the decision of the Soldier Settlement Board as to the revaluation of his land to gather together new evidence between the time of the decision of the Soldier Settlement Board and the hearing by the Exchequer Court. I should like to know not only whether it will be open to him to gather that evidence, but also to produce it before the Exchequer Court.

I have followed very closely the explanation given by the honourable Senator, that in the first place the soldier settler will file his claim with the Soldier Settlement Board here at headquarters; that this body will then communicate with its representative in the district affected, and will secure a report from him. This report, once it has entered headquarters, will be submitted to the soldier settler for his further opinion or argument, and, if he is not satisfied, I suppose he will produce another document to that effect. If the decision is not favourable, I understand there is an appeal; but what I particularly want to know is whether he is precluded from producing any other documents apart from the one already on file.

Hon. Mr. BEIQUE: Of course, the honourable gentleman understands that an appeal rests on the record as made and on the decision which has been rendered. I do not think the soldier settler will be entitled to adduce any further evidence, because then it would not be an appeal. The appeal tribunal must pass upon the case made out before the Board, and after the Board has rendered its decision; but the soldier will be given every opportunity to make out his case.

The Bill does not go into all these details, but we have the assurance of the Chairman of the Board that that course will be followed. Of course, a claimant may file affidavits, and if they are not satisfactory he may file evidence; but it must be done when the Board is finally to pass upon his case, and upon appeal his case as made out is submitted to the Exchequer Court.

This amendment in regard to the appeal was embodied in the Bill as amended:

> The Governor in Council may make such regulations as he deems fit for the procedure in appeals to the Exchequer Court under this section, and may by such regulations modify or dispense with any provisions as to procedure in the Exchequer Court Act or in the rules of practice of that Court. All such regulations made shall be published forthwith in the Canada Gazette.

This is lest the Exchequer Court might feel itself bound by the law or regulations regulating that Court, and in order that the Court may be absolutely free to make such regulations as would facilitate the appeal.

Hon. W. A. GRIESBACH: Honourable gentlemen, as a member of the Committee whose report is before you, I feel called upon to offer a few observations with respect to the Bill. The Bill as it reached us provided for the carrying of the question of whether or not the soldier should have a reduction in the price of his land to a tribunal consisting of a District Court Judge, a representative of the Soldier Settlement Board, and a representative of the soldier himself. It is to be pointed out at once that the Soldier Settlement Board itself had no power to reduce the amount of the soldier's indebtedness.

Some days ago, when this Bill was introduced, I pointed out to the House that the Board now occupies a dual position under the Government of Canada. It is engaged in the administration of the Soldier Settlement Act, and it is also employed by the Immigration and Colonization Department in the settlement of immigrants in Canada under some arrangement between the Government of this country and the Government of Great Britain, and the terms of its employment with respect to the latter Department are that it shall settle upon these abandoned lands the immigrants so brought in. The Board is in this peculiar position, that neither it nor the Minister nor any other power in Canada has authority to reduce the amount charged the settler, even if it is thought excessive; but, as soon as a soldier has decided that the price was too much, and that he would abandon his land and terminate his contractual relations with the Board, the

Board itself has power to reduce the price of the land to the incoming immigrant. That was the Bill as it came to us. I think I perhaps ought to say in the first place that, after a lapse of some seven or eight years, thoughtful men amongst the ex-soldiers begin to realize that this country has only a certain amount of money to spend upon ex-service men in pensions and hospitalization and aids of that description, and they are more than ever persuaded that in any scheme for the amelioration of their condition the trouble in the past has been that under the provisions made too much money has been spent upon administration, too large a proportion of the money involved has gone to a large body of officials, and not a proper proportion to the ex-service men themselves. This Bill as it came to us is an example of that weakness on the part of legislation in the past. One would have thought—as a matter of fact, it did occur to some persons in the other House—that the Board itself might very properly make an adjustment. There were various objections offered to that, but none of them have any weight with me for a reason which I shall give before I finish. The legislation as it reached us seems to me to smack rather of such legislation as might be passed under certain other conditions to prevent two persons at variance coming together, and compelling them to resort to law, when logically the soldier and the Board might well come together and settle their difficulties without resort to any tribunal at all.

The letters read by the honourable gentleman from Montreal (Hon. Mr. Béique) go to suggest that not all the soldiers who may appeal will appeal, and to my mind at least it will be possible for the Board itself in many cases to adjust its differences with the ex-service men without the intervention of any tribunal.

Hon. Mr. BELCOURT: In most cases.

Hon. Mr. GRIESBACH: The Chairman of the Soldier Settlement Board advanced the opinion that about sixty per cent of the cases might be settled by conversations and mutual agreements. First of all, you have those who will not appeal at all; then you have those who will ask for a readjustment; then you have sixty per cent of those disposed of by mutual agreement, and then a small proportion left who may appeal.

In the discussion on the Bill as it came from the other House, it became apparent to me that the cost of these tribunals was going to be very high indeed, and I had reason to doubt the wisdom of a tribunal consisting of three persons, one of whom is already committed to one side, and another of whom is already committed to the other side, thus leaving the third person to decide. Yet this was the tribunal which was constituted to carry on this work, and at very considerable expense to the country. I say, for the reasons given, that I was of the opinion that in carrying out the general principle of reducing the cost of administration and applying it to the amelioration of the soldiers, we ought to examine the possibility of the soldier himself and the board coming to a satisfactory conclusion. Having given that some thought, I now say that I support the amendments of the Committee, the principal of which is merely this: that we have made it possible for the Soldier Settlement Board and the settler to come together and agree; and, in case they do not agree, provision is made for an appeal to the Exchequer Court.

In respect of that appeal, a number of questions have been and no doubt will be asked as to the procedure which will be followed. The amendments provide that the procedure to be followed will be laid down by the Governor General by Order in Council, and I fancy that in preparing the regulations the proper authorities will be guided to some extent by the discussion which takes place here to-day, and for their guidance any honourable gentleman who foresees a difficulty will do well to elaborate upon it.

An honourable gentleman, who no doubt will speak later has stressed the importance of a complete case being filed with the Soldier Settlement Board, a copy of that statement being given to the soldier settler himself, and the whole being submitted to the Exchequer Court. That seems to me to be a matter for thought in the preparation of the regulations, and I would be satisfied to leave to the proper authority the preparation of those regulations, assuming that they be just and fair and equitable.

The question raised by the late Minister of Soldiers' Civil Re-establishment (Hon. Mr. Béland) as to how appeals will be conducted, that is to say, what will be introduced in the shape of new evidence, is also a very interesting one. I am quite aware of the lawyer's interpretation of what is meant by an appeal. It means an appeal upon the evidence and the facts submitted at the original trial. There is also an extension of that rule so that even after an appeal evidence which was not procurable at the time of appeal may be introduced for certain good and sufficient reasons.

With respect to the point raised by the late Minister as to the operation of appeals

in pension cases, I thought there would be hardship. But in actual fact there is no hardship, for the reason that it is always competent for the appellant, up to the very last minute, to file with the Board of Pension Commissioners such evidence as he may have.

Hon. Mr. BELAND: Up to the time of the appeal.

Hon. Mr. GRIESBACH: Up to the time of the appeal. And I have it from members of the Appeal Board that, if it can be shown to them that there is evidence available which for some reason or other could not be produced before, they will re-open the case, even if it is appealed. It is a matter for the ruling of the Board themselves. They shall be to some extent guided by the Department of Justice. Just upon that point, I am not so sure that they are willing to be wholly guided by the Department of Justice. But they themselves say that, even when they have given a decision, if it can nevertheless be shown that there was evidence which bears importantly upon the decision, and which could not for some good and sufficient reason be produced, the case will be reconsidered if there is some proper explanation. The Board of Appeal claim the right to establish that doctrine.

Hon. Mr. BELAND: My honourable friend may be right, but my impression is that it is only in case the new evidence bears on a different disability from that which has been decided upon.

Hon. Mr. GRIESBACH: I still insist upon my point, and would add that in carrying out these appeals, by shifting the disability, a rehearing can be had. But, generally speaking, the Board of Appeal, notwithstanding the limitation to the evidence upon the record, is giving fairly general satisfaction—as good satisfaction as it can give.

Now, there is in these amendments a radical departure from the Bill as introduced. I am agreeing to the amendments. I am taking the amendments in good faith for a special and particular reason. If that reason did not exist, then I might be much sharper and more careful in my criticism of the amendments, even though I have taken part in drafting them. The situation is this. The Soldier Settlement Board is acting in two capacities. In one capacity it is administering the affairs of the Soldier Settlement Board, and in the other it is acting for the Department of Immigration and Colonization in carrying out the settlement scheme with the British Government. And the Department of Colonization has been required by the British Government, in accordance with the scheme, to give its assurance to that Government that the price of the land upon which these British immigrants are placed shall be a right price, a proper price, a reasonable price—that a settler himself can go upon the land, earn his living there, and repay the amount of his indebtedness. The staff of the Department of Immigration and Colonization is watching that aspect of the case, and the Government is pledged in that regard that the money advanced by the British Government shall be honestly and properly spent in the acquisition of land for these British immigrants. The Soldier Settlement Board is charged, first, with the responsibility of administering the Soldier Settlement Act and of keeping the soldier settler upon the land. When he leaves the land, for any reason at all, then the Soldier Settlement Board, acting in another capacity, has to sell that land, under that restriction as to a fair price, to a British immigrant.

The situation is more or less psychological from the soldier's point of view, and that is why I strongly advocate that the Soldier Settlement Board should be empowered to deal with the soldier. I urge it for this reason. When the Board is dealing with the soldier, he may complain that his land has depreciated in value—that he paid more for it than it is now worth. In that case the Board must have in the back of its head the idea that any ruling it may give on this application is subject to a most drastic formal review, for if its decision results in his leaving the land the Board must sell that same land practically in the open market, under conditions of careful scrutiny. If the soldier settler should come before the Board and say, "I paid $4,500 for this land, and I contend that it is worth only $3,500 now," the Board may say to him: "We refuse to recognize your contention: we maintain that the land is still worth $4,500." The soldier says: "I cannot pay it, and I will not stay," and he goes off, and terminates his contractual relations. Then the Soldier Settlement Board, in order to justify its position—and, remember, it is encompassed by a great cloud of witnesses in all these settlements—must now sell to the incoming British immigrant, under the scrutiny of the Colonization Department, that particular land for that particular price. If it sells the land for any lesser price it justifies the contention of the soldier. I submit that that stage of affairs constitutes a safeguard for the soldier such as he could have under no other circumstances. He need not bother about what the Exchequer Court or anybody else may say. The Soldier Settle-

ment Board must deal with him in the knowledge that if the Board fails to deal on a satisfactory basis it must dispose of the land practically in the open market to persons who are protected by all the organizations of the Colonization Department.

If that state of affairs did not exist, I am not so sure that this Bill would be satisfactory to me; but, in view of the existence of that condition, I am reasonably satisfied in my own mind with this Bill as amended, plus the regulations that may be adopted by Order in Council, following this discussion and such representations as have been made, plus the outstanding fact that behind the whole business stands this scheme of the Immigration and Colonization agreement with Great Britain as to the settlement of British immigrants. I believe that the soldier will have substantial justice because of these facts alone, and for this reason I support the amendment.

Hon. J. J. DONNELLY: Honourable gentlemen, I would like to inquire of the honourable member of the Committee whether any consideration has been given to this other phase of the situation. The construction I put upon the Bill is that this is a measure to revalue the land only. As I understood from the figures given by the honourable member from De Salaberry (Hon. Mr. Béique), there was a total expenditure of more than $70,000,000, of which amount $54,000,000 was expended in the purchase of land. In other words, about 25 per cent of the total expenditure was for stock and implements. At the time the Act went into force a much higher value was placed on stock and implements than is placed on them at the present time. Some of the soldier settlers may take the view that their difficulty in fulfilling the obligations which they incurred is due to the depreciation of the value of stock and implements.

Hon. Mr. GRIESBACH: That has been dealt with already.

Hon. Mr. DONNELLY: Has it? Some provision has been made for it? I see.

Hon. A. B. GILLIS: Honourable gentlemen, so far as we have considered the amendments made to the Bill, I am quite in accord with them; but we have had very little information with regard to these very important amendments. The Bill has been so altered as to be scarcely recognizable as the Bill which came from the other House some days ago. All the information we have had is that which is contained in the report presented yesterday and printed in the Minutes of Proceedings. Those who were not members of the Committee have comparatively little grasp of the important changes that have been made. For that reason I think that, before concurring in the report and giving the Bill the third reading, the Bill should be reprinted as amended. I feel satisfied that more than two-thirds of the honourable members of this Chamber have very little conception of the important changes that have been made in this measure. Personally I have had the advantage of having the changes explained to me in private; but, as the amendments are of far-reaching importance, I think that every honourable member of the House should be in a position to grasp them fully before we are called upon to pass the Bill.

There is no rule against referring this matter to Committee of the Whole House. I know it is not the custom of this Chamber to have reports of Committees submitted in that way, but, I repeat, the changes are so important that we ought to be given a little more time to study them.

Hon. Mr. MACDONELL: If it would be of assistance to any honourable gentlemen, I would be glad to move that the next reading take place on Monday. That would give honourable members the week-end to read and study the Bill.

Hon. Mr. DANDURAND: If the report is adopted we can direct the Clerk to have the Bill reprinted before the third reading.

The Hon. the SPEAKER: May I point out that this is a Commons Bill. We might have it reprinted for the information of the Senate, but the Bill as received from the House of Commons will have to be sent back to that House with a message pointing out the Senate amendments.

Hon. Mr. MACDONELL: That would probably help those who want information.

Hon. Mr. BELCOURT: I should like to make two observations—and I shall be very brief. One relates to the argument put forward by my honourable friend opposite (Hon. Mr. Griesbach) in regard to appeals. As he anticipated, lawyer-like, I cannot agree altogether with that proposition. There are several reasons why there should be a finality to the proceedings rather than the reopening of them from time to time.

Hon. Mr. GRIESBACH: I was replying to the honourable gentleman from Lauzon, the former Minister of Soldiers' Civil Re-establishment (Hon. Mr. Béland). I was discussing with him certain aspects of the appeal in pension cases. I did not discuss at length

the appeals involved in this Bill. I expressed the hope that the method of appeal would be satisfactorily arranged by Order-in-Council, subject to what was said here, and that it would be workable, and would be just and fair as well, regard being had to the peculiar nature of the case.

Hon. Mr. BELCOURT: I do not see how we can expect to apply to this Bill the principle which my honourable friend, evidently with some hesitation, suggests, namely that there should be a right to put in evidence before the Board of Appeal.

Hon. Mr. GRIESBACH: But as it is done in pension cases. We apply to the Board of Pension Commissioners for a pension, and if our application is refused we can take an appeal to the Appeal Board. It did not take us long to discover that in the application of the Appeal Board law as we had passed it, and the regulations which had been issued, if between the time of the decision of the Board of Pension Commissioners and the hearing of the appeal new evidence should arise, the situation ought to be met by submitting that new evidence, the Board of Pension Commissioners making it part of the file which would go up to the Board of Appeal. The Board of Pension Commissioners have been known to arrest an appeal already in the hands of the Appeal Board, and to say: "In view of this new evidence we now grant a pension—we now agree that the applicant has proved that he is entitled to it." That is a matter which has grown up, to the satisfaction of everyone, I think. But the lawyers may not like it.

Hon. Mr. BELCOURT: That may be so. My honourable friend has not stated whether or not there is in the regulations some provision whereby the Pension Appeal Board could refer the matter back to the Board from which the appeal came. I am not aware whether they may refer it back or not. Perhaps my honourable friend knows. There may be some provision by which it could be referred back for the hearing of further evidence.

Hon. Mr. BELAND: Under the Act the Federal Appeal Board cannot entertain any new evidence.

Hon. Mr. GRIESBACH: That is clear.

Hon. Mr. BELAND: The man who has seen his claim refused by the Board of first instance is free to reopen it before the same Board if he has new evidence; but if he decides to go before the Federal Appeal Board no new evidence can be submitted and none can be entertained, and the decision rendered by the Federal Appeal Board is final unless a new disability is brought up.

Hon. Mr. BELCOURT: Even if reason did exist in the case of the Pension Board; there would be less reason in this instance for allowing evidence to be taken after an appeal has been lodged.

Hon Mr. GRIESBACH: It would seem so at the moment.

Hon. Mr. BELCOURT: The question is a very simple one: it is to determine the value of land. You would not refer it back or entertain any further evidence on that subject. There would be no occasion for doing so, because it is a question which could be determined finally. In the courts a new trial is granted merely because of some fact arising which justifies the Appeal Court in referring back the case, but that reason would not apply here, because here it is merely a question of opinion and not a question of fact. The question is whether the valuation put on the land by the Board was a proper one or not. So I do not think we should entertain the idea of allowing the Appeal Court to hear new evidence.

There is one point of the Bill which I think was perhaps not sufficiently considered in the Committee. Honourable gentlemen will see on reading the Bill that it provides for an appeal to the Exchequer Court. I have a doubt—I dare say honourable gentlemen will also have a doubt—as to what exactly will be the power of the Appeal Court. We have not said in the Bill as reported that the Court may increase or decrease the compensation. Are we to assume that the Appeal Court, that is, the Judge of the Exchequer Court, may only increase the amount?

Hon. Mr. DANDURAND: I should say so.

Hon. Mr. BELCOURT: But we have not so stated.

Hon. Mr. BELAND: Is it not implied?

Hon. Mr. BELCOURT: No.

Hon. Mr. BELAND: The application is for a decrease in the valuation of the land.

Hon. Mr. BELCOURT: It may be. I am not so sure about that. I doubt whether the Appeal Court could not, under the wording of the Act, decrease the amount.

Hon. Mr. DANDURAND: That is, reduce the benefit to the soldier?

Hon. Mr. BELCOURT: Yes, reduce the amount of the compensation.

Hon. Mr. DANDURAND: Surely the Bill is clear on that point. According to the general rule, the appeal is for an increase of the benefit to the soldier. There is no cross-appeal asking for a reduction of the benefit. So the appeal would simply bear on the question of more liberal treatment.

Hon. Mr. GRIESBACH: Yes. The position of the soldier is that he has bought land which is now lower in price than before, but he has a contract, and the Soldier Settlement Board refuses to adjust that contract, or refuses to adjust it sufficiently. The soldier settler appeals against that decision. Surely the answer of the Board could only be that he is not entitled to any reduction, or that he is entitled to a reduction. Surely the Board could not increase the amount involved in his contract.

Hon. Mr. DANDURAND: The Board could not appeal against itself.

Hon. Mr. GRIESBACH: And the Board could not appeal against itself.

Right Hon. Sir GEORGE E. FOSTER: As to the question of new evidence, which has been raised by my honourable friend, is it really of much practical importance? Here, to my mind, is the procedure. In the first place, the Board, through its officers, receives the application. The Board has in fourteen or fifteen different parts of the Dominion its officers, who are au fait with the history of the case as between the soldier settler and the Board. The soldier and these officers of the Board get together and examine the whole matter, with the records. The soldier states his case, and if it is not settled the stage is reached where he makes his application. That application comes to the general Board, and with it comes the statement of the case on both sides. The Board has the whole history of that in its own records. It takes all those things into consideration and makes its decision, which, we will say, is adverse to the applicant. The decision and the grounds for it are sent to the applicant for his information. Now, he has a right to appeal. He says to himself: "Here is the decision, and here are the grounds upon which it has been given. Shall I appeal or shall I not?" If he feels that his whole case has not been presented, that there is some important evidence that was not given that bears on the case, he will put that evidence into shape before he makes his appeal. He has his own time to gather new evidence before he makes his appeal, and he takes whatever time is necessary, within reasonable limits, and gets together the new evidence which goes to the Board and which forms part of the document Does not that give him all that reasonably could be asked? After the new evidence goes to the Board it is taken into consideration, and the Board may change its view according to that, or it may insist that the new evidence does not call for any change. There are all the new documents. Then the man makes up his mind whether or not he will appeal. Having got all the evidence he can to modify the decision of the Board, he makes his appeal, and all that goes into the subject matter that is placed before the judge. But after the case once gets to the judge and is adjudged, it seems to me that to go any further is opening the road to new trials in every one of these cases. The whole question with me is: Does he get sufficient time to gather new evidence and prepare his case to the best advantage before he has to make the appeal?

Hon. Mr. BELAND: I share my honourable friend's view that no new evidence should be presented to the Appeal Board that has not been submitted to the Soldier Settlement Board; but in the Pension Act all the provisions for appeal are detailed in the statute. In this Bill no details are set out as to whether or not new evidence can be produced either after or before such a date. Should the Governor in Council pass a regulation providing that the Soldier Settlement Board, after having once adjudicated upon the soldier's claim, cannot review its own decision, the soldier may find that through somebody appearing on the spot he would be in a position to supply some information of importance that might change the view of the Soldier Settlement Board. The regulation may say that it is not open to him to present that evidence to the Appeal Court, or that it is open to him to do so, or that he may reopen his case before the Board; but the moment we say the Governor in Council must decide upon the procedure, we must rely upon them to do the right thing.

Right Hon. Sir GEORGE E. FOSTER: That depends on the regulation.

Hon. Mr. TAYLOR: Honourable gentlemen, the pacific nature of this discussion seems to warrant the hope that we will not be accused of some new horror in our proceedings to-day in mutilating a Government Bill. There seems to be perfect unanimity on both sides of the House, and I am pleased to see that in a matter of this importance the Government frankly admits that the measure brought into this House was capable of amendment by the Senate without giving offence to the Administration.

I was glad to hear the series of letters read by the honourable gentleman from De Salaberry (Hon. Mr. Béique). They indicated to me a frame of mind on the part of the soldier settlers that might very well be adopted, if not enlarged upon, by the Administration, particularly by the Soldier Settlement Board when they come to deal with this problem. I take it for granted that the letters read here were sample letters of the 1,600 received, and were not merely picked out because they seemed to indicate a certain frame of mind. I accept them as they were offered —as sample letters. They indicate a desire on the part of the soldier settlers to play the game; to look on the bright side of their position, and to co-operate with the Soldier Settlement Board in a liberal sense, and to do the best they can under the circumstances in which they find themselves.

If I have any criticism to offer of the Bill now before us, which I do think is an improvement on that which was referred to the Committee, it is that it has a tendency to go in a direction contrary to that in which the soldiers are proceeding; that the tendency of the Bill is to limit the authority of the Soldier Settlement Board and of the Exchequer Court, and to narrow down to the lowest possible limits the details of the relief which both the Government and Parliament seem to have decided should be given. I like the suggestion of the honourable gentleman from Lauzon (Hon. Mr. Béland), lately Minister of the Department, that pains should be taken to make as complete a presentation as possible of the case of the soldiers, so that they may not lose anything for want of information conveyed to the Exchequer Court.

In the Committee I raised the point that the amendments as now presented do not provide for that, but set up a decided obstacle to the free access on the part of the soldier to the Judge of the Exchequer Court. We find that there are two main subjects for determination by the Soldier Settlement Board. One is the depreciation in the value of the land between one period and another, and the other is the estimate to be placed upon the character of the soldier himself. In this House last week I was able to get that obstacle to the soldier's case removed from the first section of the Bill. It now reappears in another form. It is not quite correct, as the right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster) says, that all these details are to be thrashed out between the soldier and the Soldier Settlement Board before there is any reference to the Exchequer Court. It is quite possible that the Government may provide for that when they make the regulations. If there can be any benefit from any suggestions that I make, it would arise from the influence they might have upon the Government in widening the regulations to provide for such a state of affairs as the right honourable gentleman has indicated. But as I read the Act now, it is very much narrower; and, unless the Governor in Council were influenced by the discussion during the passage of this Bill, I am afraid that the regulations would not be any broader than the Act itself.

The pitfall which I have in mind is this: that the application is made by the soldier in writing to the local Superintendent of the Soldier Settlement Board. The soldier sets out his claim, and the reasons for it, the amount of money paid for the land, and what he thinks is its value now. He sends that to the District Superintendent, who forwards it to the Board. As there is a limitation in the reference in the Bill, as amended, which says that depreciation shall be allowed only upon diminution in value not incurred by the neglect or mismanagement of the soldier, naturally, although it is not so provided in the Bill, the Soldier Settlement Board looks to the District Superintendent. That is the only way the information can be got. The soldier himself writes to say that his claim is not due to his own neglect, and for an opinion upon that the Board looks to the District Superintendent, who is in close touch with the situation. I have urged before, and I urge now, that any communication made by the District Superintendent to the detriment of the soldier's application as a settler should be communicated by the Settlement Board to the soldier himself, and that the District Superintendent should be required to say upon what he bases his report that the settler is unfit or negligent. The settler, having got that, should be placed in a position to meet it with any evidence that may be necessary—his own statement is already in—with the evidence of his neighbours, or with explanations of any alleged outstanding evidence of neglect or mismanagement. He should be put in a position to deliver his defence before the Exchequer Court against any aspersions upon his character as a settler.

The question then arises, how is that practicable? In answer, I would refer to the Act itself. As I see it, the strongest justification this House could have for substituting the plan outlined in this amendment for the contrasting plan of the House of Com-

mons, is that in doing this we are virtually following the direction laid down in the Soldier Settlement Act. That Act provides that the Governor in Council shall have power to add to the Exchequer Court one or more judges to investigate and deal with any questions which may arise under the Act. As I read that Act, the idea is that matters of this kind, to be reasonably and intelligently decided, have got to be decided on the spot, and that the regular judges of the Exchequer Court being busy with their ordinary duties at Ottawa, have not the time to make the long journeys that would be required for matters of this kind. So there is the provision that the Government may have power to add temporary judges to the Exchequer Court for just such purposes as are indicated in this Bill, and I suggest to the honourable gentleman who represents the Government in this Chamber the wisdom of considering whether or not, for the expeditious hearing of these cases, we should not have judges appointed, as contemplated by the Act, who could actually go on to the soldier's land, see the man himself and the progress he has made, investigate any reports as to neglect, and so on, and arrive at the intelligent conclusion that can only be arrived at in cases of this kind by a personal visit. It is because the Bill as it came to us from the House of Commons contemplated personal dealings on the lands themselves in all cases by qualified local judges that I considered it an improvement on the Bill as first introduced in the Commons. The difficulty, of course, was the absurdly elaborate arrangement provided for which gave to each soldier the authority to name his own representative on the Board of Arbitration. That was a fatal defect in the plan presented to us. We have here, however, in the reference to the Exchequer Court, read in connection with the Act itself as to the appointment of extra judges for purposes such as this, a reasonable way out of the difficulty without any great expense. If you refer solely to the two judges of the Exchequer Court sitting at Ottawa, it seems to me that you will leave thousands of sores open throughout the country; that the situation will be aggravated rather than improved in so far as public protest is concerned. The men who are doing reasonably well now are not the ones that you hear from. We are hearing from the ones who are having difficulty, all over the country. When you tell one of those men, who is already in a nervous and irritable frame of mind because of his difficulties, that the Board has decided against him and that he has no recourse except to enter upon a course of correspondence, in competition against the Settlement Board, with the Exchequer Court of Canada, I am afraid you will not make much progress toward pacifying him. If, on the other hand, that man could see a strange face in the person of a judge who would hear his case and talk to him reasonably, as judges do talk to unfortunates brought before them, the adventure in pacification might achieve the very complete success that it otherwise will not attain.

There is another feature. I spoke about the narrowness of the Bill in some respects. I might refer now to one matter not covered by these amendments, and save discussing it on the third reading. That is the provision that where depreciation is found between the value of the land at the time of purchase and the value of the land to-day, the allowance made for the depreciation shall be limited by the amount of money the Settlement Board were authorized to advance to the settler. That amendment was put in the Bill in the House of Commons, and was not contained in it as originally presented. Therefore, it is not part of the Government scheme. I am quite satisfied that that provision was put in without any proper reflection—in fact, it seems to me, without any reflection at all. The only explanation, the only defence, that I have heard of that is really a condemnation. The defence to which I refer is that it is almost impossible to ascertain definitely what sum the soldier paid for any land he occupies in addition to the sum authorized by the Government; that soldiers have pretended in various ways to have given valuable consideration where they may merely have traded in certain lots in exchange for the farm property which they, in conjunction with the Board, have assumed. When you think for a moment of this, the only objection made to my suggestion, it answers itself; because, if a soldier, overstates the amount of money he has paid for land, in addition to the Government grant for that purpose, in proportion as he overstates the amount, by just that proportion he decreases any claim he may have, under the application of depreciation, to the moneys advanced by the Government. I hope honourable gentlemen will see that.

Take an illustration. A soldier settler is permitted by the Board to purchase for $7,000 a piece of land which he intends to occupy. Such cases actually occur, particularly in British Columbia, where they commonly pay $200, $250 or $300 an acre, and where the little allowance of the Board would be very

quickly exhausted without giving the soldier any substantial holding. Many cases have occurred in British Columbia where soldiers have bought land at a price in excess of the amount that could have been secured by loan from the Board. In the case of a soldier who buys a piece of land for $7,000, paying $2,000 of his own and obtaining a loan of $5,000, the Soldier Settlement Board or the judge may say: "We are convinced from inquiry in the neighourhood that that land has depreciated in common with other land there, by 25 per cent of its real value in the 7 years that have intervened." Then there comes the application of this restricting provision in the Bill, which says that, although that inquiry has shown a diminution of $1,750 in the value of that soldier's holding, you must take the original value at $5,000, being the limit of what the Board was permitted to lend, and as you find that his entire holding is still worth more than this $5,000, it follows that although there is a depreciation of $1,750 that soldier is allowed nothing at all. It is not sufficient to answer that that man is a prosperous man. We are not administering charity.

Hon. Mr. BELAND: What would prevent the Board from applying the 25 per cent on the $5,000 as a reduction, leaving out the balance he has paid of his own money?

Hon. Mr. TAYLOR: Nothing but the amendment to which I refer.

Hon. Mr. DANDURAND: But the valuation would go beyond the $5,000 limit.

Hon. Mr. TAYLOR: Yes.

Hon. Mr. DANDURAND: The honourable gentleman states it would be $1,750 of a reduction, but it would mean that the land would be valued at $5,250.

Hon. Mr. TAYLOR: I am glad that the former Minister (Hon. Mr. Béland) asked that question. It shows that his heart is in the right place. The difficulty is in this unfortunate proviso, which I feel quite satisfied was not understood or thought of by those who put it in:

> Provided that in any case where the actual sale price is greater than the maximum amount which under section sixteen of this Act may be advanced by the Board in the purchase of land on behalf of any settler, such maximum amount shall be deemed the sale price for the purposes of this section;

Hon. Mr. DANDURAND: I may tell my honourable friend that it was with eyes open and a clear conception of the situation that the Bill was thus framed, because the law fixed a limit of $5,000 that could be advanced. In the actual case my honourable friend gives he would have to state that $5,250 was the remaining value of the land, while the law made $5,000 the maximum limit. That is why that limitation is there, and why the provision is so written.

Hon. Mr. TAYLOR: But I invite the honourable gentleman's attention to the difficulty of carrying out this proviso, even if you desire to show a spirit so different from that shown by the letters of the soldiers that were read here to-day.

Hon. Mr. DANDURAND: But that is the law, which has fixed a maximum of $5,000 that can be advanced to the settler on his land, and my honourable friend would now have the land valued at more than $5,000 because the soldier paid more than $7,000 for the land himself, but that was of his own free will.

Hon. Mr. TAYLOR: But there is nothing in the law to prevent this Parliament changing this Bill so as to allow the depreciation on the amount the Board was authorized to advance, which was the suggestion made by the honourable gentleman from Lauzon (Hon. Mr. Béland). I was going to speak of the difficulty of applying this when you come to value this $7,000 tract; the question will immediately arise, which part of that was bought with the $5,000 advanced by the Board? You cannot differentiate between one property of 20 or 30 acres, and say that such and such an acreage was bought with the $5,000, and such and such other acreage was bought with the settler's own $2,000. There is no justice in saying to the man who has put $2,000 of his own money into the venture, so as to make it a little larger than was contemplated by the Government, that he must stand the whole depreciation, whereas the settler adjoining, who bought only $5,000 worth, is allowed $1,250. You may find two settlers, one who bought a few additional acres and paid $7,000, and his neighbour who bought a smaller acreage and paid only the $5,000 advanced by the Government; yet you allow one $1,250 and you allow the other nothing.

Hon. Mr. DANDURAND: But where would my honourable friend draw the line if that settler had paid $10,000 for that land?

Hon. Mr. TAYLOR: All I would ask is that you allow him the diminution on the amount that you authorized him to buy, that is, on $5,000.

Hon. Mr. DANDURAND: If there be any depreciation from that figure.

Hon. Mr. TAYLOR: Yes, if there be any depreciation. I would treat the two precisely the same. If the man on the right owned a $5,000 property and is entitled to $1,250, the man on the left who had the $7,000 propetry in which we have $5,000 interest should be equally entitled to the diminution of $1,250.

Hon. Mr. DANDURAND: I would draw the attention of my honourable friend to the fact that the Senate can decrease the amount of a money Bill, but cannot increase the charge, and this one comes to us from the House of Commons with this proviso.

Hon. Mr. TAYLOR: I would not like to set up my humble opinion against that of a distinguished authority on constitutional law like the honourable gentleman, but I would ask him if the fact that the message from the Governor General presenting this legislation to the House did not contain this provision does not warrant us in dealing with it. This limitation was not in the message from the Governor General by which this Bill was introduced, neither was it in the Bill as introduced.

Hon. Mr. DANDURAND: Of course, I could not answer without looking at the various Bills that were presented. I know that one original Bill was presented with the authorization of His Excellency, and it was withdrawn because it could not be amended under the resolution. It had to be withdrawn and another Bill presented. My honourable friend will find, if he looks at his file, that there were two or three reprints, and I would have to look through those to see whether this is in order or not.

Hon. Mr. TAYLOR: I have in my hand what purports to be the first reading of this Bill, and the section to which I refer is not in it. That is my warrant for saying that it was not included in the message from the Governor General, and was therefore inserted in the House of Commons without that authority, just as we may be without authority, technically, to deal with it now. I do not think the Government should be technical in a matter of this kind. It is hard to explain to a soldier settler that a rule of Parliament like that will cost him $1,250. The general public cannot understand why Parliament permits the perpetration of an injustice of that kind. When we are in this high court for the redress of all forms of injustice, it surely should be competent for us to act in redressing this case of injustice. I would suggest that the honourable gentleman take that into consideration at the third reading of this Bill.

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: We may adopt the report, and we will have the Bill reprinted for the third reading, so that we may be able to discuss it.

Hon. Mr. TAYLOR: I suggest to the honourable gentleman that he should consider whether there be any obstacle to doing justice in the way suggested, so that I might then, if in order, move this on the third reading.

The motion for concurrence in the report was agreed to.

The Senate adjourned until Monday, June 21, at 8 p.m.

THE SENATE

Monday, June 21, 1926.

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

Prayers and routine proceedings.

LEAGUE OF NATIONS

MOTION POSTPONED

On the Order:

By Right Hon. Sir George E. Foster:

That an order of the House do issue for a return showing,—

All correspondence between Dr. W. J. Riddel, Liaison officer of the Government at Geneva and the Department of Foreign Affairs with respect of the League of Nations and its relations to the Government of Canada.

Right Hon. Sir GEORGE E. FOSTER: I would move that this Order be discharged, and placed on the Order Paper for Wednesday next.

Hon. Mr. CASGRAIN: It is a pity that the right honourable gentleman is having this order discharged. If we had a free evening, we might have a pleasant time talking about the League of Nations before it dies a natural death.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend is looking for a corpse that has not yet materialized.

The motion was agreed to.

HANDFIELD DIVORCE PETITION

CONSIDERATION POSTPONED

On the Order:

Consideration of the one hundred and sixty-seventh report of the Standing Committee on Divorce, to whom was referred the petition of Joseph Azarie Handfield, together with the evidence taken before the said Committee.—Hon. Mr. Willoughby.

Hon. Mr. TURGEON: Honourable gentlemen, I have not been able to get a French copy of this report as yet. I understand it is the duty of the Committee to get these reports printed in both languages, French and English. I know that in the other House no Bill would be passed unless it had been printed in both languages. I would therefore ask for the postponement of this Order until we have the French translation.

The Hon. the SPEAKER: I am informed by the Clerk that the French copies have been distributed, and the honourable gentleman will probably find one in his box to-morrow, if not to-night.

Hon. Mr. CASGRAIN: We have not got the French copy yet. I looked particularly for mine, because it is a poor translation in some parts, I am told; but I have not yet received it.

Hon. Mr. BELCOURT: I have been requested by several gentlemen, for reasons other than that mentioned by my honourable friend (Hon. Mr. Turgeon), to ask that the consideration of this report should stand over until to-morrow. I trust my honourable friend, the Chairman of the Divorce Committee, sees no objection to that.

Hon. Mr. WILLOUGHBY: That is quite agreeable.

The motion was agreed to.

DIVORCE BILLS

FIRST READINGS

Bill A7, an Act for the relief of Cecil Chester Richardson.—Hon. Mr. Schaffner.

Bill B7, an Act for the relief of Vina Kennedy, otherwise known as Vina Dorothy Kennedy.—Hon. Mr. Schaffner.

Bill C7, an Act for the relief of Sadie Joy Downey.—Hon. Mr. Willoughby.

Bill D7, an Act for the relief of Aimée Young.—Hon. Mr. Willoughby.

Bill E7, an Act for the relief of Alberta Lutz.—Hon. Mr. Haydon.

Bill F7, an Act for the relief of George Frederick Adams.—Hon. Mr. Haydon.

Bill G7, an Act for the relief of Edward Saville.—Hon. Mr. Haydon.

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

THE SENATE

Tuesday, June 22, 1926.

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

Prayers and routine proceedings.

DIVORCE STATISTICS, 1926

Hon. W. B. WILLOUGHBY: Honourable gentlemen, this is not a statutory report that I am making; but it has been customary every year for some years past to give to the House a concise statement of the work that has been done in the Divorce Committee. The statement is very short, and with the permission of the House I will read it:

For the present Session 204 notices of intention to apply to Parliament for Bills of Divorce were given in the Canada Gazette. Of the foregoing 177 were actually presented in the Senate and dealt with by the Committee on Divorce, as follows:

Petitions heard and enquired into	172
Petitions not presented	13
Recommended	172
Withdrawn	5
Not proceeded with	14

Of the petitions heard, 79 were by husbands and 93 by wives, the grounds being as follows:

Adultery	170
Non-consummation	2

Of the applications presented 183 were from residents in the Province of Ontario, 18 from Quebec, 1 from Saskatchewan, 1 from British Columbia and 1 from Prince Edward Island.

An analysis of the occupations followed by the applicants is as follows:

1 Advertising salesman
2 Agents
2 Accountants
1 Agriculturist
1 Butcher
1 Builder
1 Broker
1 Barber
1 Boathousekeeper
5 Clerks
3 Civil Servants
1 Commercial Traveller
1 Cutter
1 Chauffeur
1 Dentist
2 Drivers
2 Decorators
1 Druggist
1 Efficiency Clerk
5 Farmers
1 Furrier
1 Gentleman
1 Hotel-keeper
1 Instructor
1 Locksmith
1 Librarian
7 Labourers
1 Locomotive Engineer
1 Locomotive Fireman
111 described as "Married Women"
4 Machinists
3 Merchants
1 Mail Carrier
3 Mechanics

1 Moulder
1 Manufacturer
1 Model
1 Marceller
2 Physicians
2 Painters
1 Postman
1 Plumber
1 Railway Engineer
2 Solicitors
1 Street Car Conductor
2 Salesmen
1 School Teacher
1 Telephone Operator
1 Trusts Officer
1 Traveller
1 Tobacconist
1 Vegetable Dealer
1 Waitress
1 Wireless Operator
8 Occupations not stated.

In 65 cases the Committee on Divorce recommended that part of the Parliamentary fees be remitted.

In the taking of evidence during the present Session, the Committee sat for an average of five and one half hours on twenty-four days.

In addition to the sittings of the Committee for the hearing of evidence, very numerous and frequent meetings of Sub-Committees were held for the consideration of various matters arising out of divorce petitions, other than the taking of evidence.

Assuming that all the Bills of Divorce recommended by the Committee and now in various stages before Parliament receive the Royal Assent, the comparison of the number of divorces and annulments of marriage granted by Parliament in the last ten years is as follows:

1917	17
1918	15
1919	55
1920	100
1921	111
1922	102
1923	117
1924	130
1925	135
1926	172

The last issue of the Canada Gazette contained 14 notices of intended applications for divorce for the next Session of Parliament.

Respectfully submitted.

A. H. HINDS,
Chief Clerk of Committees.
Clerk of the Divorce Committee.

Hon. Mr. CASGRAIN: Like the business receipts, it is on the increase.

HOME BANK CREDITORS' RELIEF

INQUIRY

Hon. Mr. REID inquired of the Government:

1. Was any money paid to creditors of the Home Bank on claims over $500, prior to November 30, 1925? If so, what was the total amount paid and among how many claimants was it divided?

2. Was any money paid to creditors of the Home Bank on Claims over $500, between November 30, 1925, and January 7, 1926? If so, how much and among how many creditors was it divided?

3. How much money has been paid to date to creditors of the Home Bank on claims under $500?

4. How much money has been paid to date to creditors of the Home Bank on claims over $500?

5. How many claims under $500 are still pending settlement?

6. How many claims over $500 are still pending?

Hon. Mr. DANDURAND:

1. Yes, $640,877.64 representing 1,301 claims.

2. Yes, $440,218.80 representing 1,094 claims.

3. $894,302.17.

4. $1,343,899.09.

5. The amount required to pay 35 per cent on eligible claims under $500 was deposited in disbursing banks on August 28, 1925, for withdrawal on application of creditors entitled to the same. The Act provided that such claims be paid without investigation by the Commissioner.

To date 6,474 creditors have not applied for payment to them of relief out of the moneys so deposited. A large proportion of the claims of such creditors consists of small balances.

6. 1,852.

Hon. Mr. REID: I would like to ask the honourable leader of the Government if it is the intention to lay on the Table of the House the rest of the information which should have been submitted to Parliament in accordance with the Act passed last Session. There was to have been laid on the Table of the House, within fourteen days after the opening of Parliament, a report of all payments made up to date. An interim report giving information up to November, two months before the opening of Parliament, was laid on the Table in another place, but it covers only the payments up to $500, and under a clause in the Act we in this House are entitled to a complete statement. Are we going to get it before the Session closes, or are we to have only the interim report?

Hon. Mr. DANDURAND: I confess that I have not seen the interim report, and I have not the Act before me at the moment. Would the answer I have just given my honourable friend be in conformity with what is required by the Act, or is a much more minute report necessary?

Hon. Mr. REID: According to the Act, a full list of all creditors who had been paid was to have been laid on the Table of the House, whether the payment was less or more than $500. The statement was to contain the names, the amounts claimed, and the amounts paid. As I have said, an interim report was presented, containing a number of pages, but it included only the claims up to $500, and gave the information only up to November 30. I think it is most unfair that we are not getting the statement to which we are entitled under that Act.

Hon. Mr. DANDURAND: I will assume that my honourable friend's statement is correct, that the interim report was not laid on the Table here. It should have been.

Hon. Mr. REID: I do not even object to that. It was laid on the Table of the House of Commons. I called at the office where the records are kept, and I did see that interim report, covering only the period to November 30. But several days ago I drew the honourable leader's attention to this matter, and asked if he would have laid on the Table of either this Chamber or the other a report in accordance with the Act. That is what I want, and what we should have.

Hon. Mr. DANDURAND: I will transmit my honourable friend's remarks to the Department of Finance, in order to obtain an answer from that Department.

Hon. Mr. REID: Would the honourable leader do this? Would he have laid on the Table of either House a report covering the period from November 30 to at least the opening of Parliament? Under the Act we are entitled to that, and it would help us to see just what is the situation.

GOVERNMENT STEAMER LADY GREY

INQUIRY FOR RETURN

Hon. Mr. POPE: I would like to ask the honourable leader of the Government what has become of the information I desired in reference to the Government Steamer Lady Grey?

Hon. Mr. DANDURAND: I am often thinking of my honourable friend, and this morning I telephoned to the Deputy Minister of Marine and Fisheries for that return. He stated that it was prepared and he had signed it, and it had gone to the Secretary of State. He thought I would have it this afternoon. So it is on the way.

Hon. Mr. POPE: I desire to express my appreciation of the fact that the honourable gentleman often thinks of me.

SOLDIER SETTLEMENT BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 17, an Act to amend the Soldier Settlement Act, 1919, as amended.

He said: Honourable gentlemen, considerable work has been done in Committee on this Bill. It is largely modified from the form in which it reached this House, but I notice that the changes bring back the Bill, in part, to the form in which it was originally introduced by the Government in the other House. That is, the Soldier Settlement Board are allowed considerable discretion in dealing with the claims of soldiers who have been settled on the land and who petition for a revision of the price paid for the property.

My honourable friend from New Westminster (Hon. Mr. Taylor) seemed to congratulate the Government—once does not establish a rule—on apparently recognizing that this Chamber may amend Government legislation. Well, it has always been my opinion that our function was to scrutinize Bills that came from the other House and try to improve them. My honourable friend suggested that there should be stricken out of the Bill a clause which limited the computed depreciation to the maximum figure set by the Act, which is $5,000. I pointed out to him that the Senate could well reduce a charge contained in a Bill coming from the other Chamber, but had not the necessary jurisdiction to increase a charge, and that if we took it upon ourselves to strike out that limiting clause we would undoubtedly be increasing the charge. He did not know whether or not that clause had been put in there as a result of the discussion which took place in the House of Commons. Probably the clause was the result of such discussion. The Minister tried to amend his Bill as originally presented to the House of Commons, but was prevented from doing so because such amendment would alter the essential provisions of the Bill. It was suggested that he should withdraw the Bill, because it did not conform to the resolution that had been approved by His Excellency the Governor General, and present a second one. I do not know exactly what procedure was followed, but there was a postponement of the Bill in Committee, and I believe that later a new Bill was introduced which contained material amendments. Be that as it may, our situation is not altered. The Commons might have increased the charge, and altered it to a certain extent even without the Bill being withdrawn or a new one presented, but that would not allow us to enlarge our rights to the extent of increasing the charge.

For that reason, and for the very interesting reason that the Department is convinced that it would be risky to take into consideration what each soldier may have agreed to pay of his own free will beyond the $5,000 which was the maximum sum fixed by the Act, the clause cannot be eliminated. The amount which many soldiers decided to pay on the side, so to speak, does not appear in the deeds; and those purchases having taken

place some six, seven or eight years ago, it would be somewhat difficult to enter into an inquiry as to statements made by a soldier that besides the $5,000 he had given other considerations to the vendor of the property. The Department, therefore after studying the situation, came to the conclusion that the Act in that particular, should remain as it is now, and that the sum of $5,000 should be the amount supposed to have been paid for the property. In fact, it was the amount that the Soldier Settlement Board did pay, because it had no right to pay a dollar more.

Hon. Mr. GILLIS: Less 10 per cent.

Hon. Mr. DANDURAND: Yes, less 10 per cent. For these reasons I must inform my honourable friend that I cannot in this particular come to his rescue.

Hon. Mr. GILLIS: In regard to the changes, I quite approve of most of them, but I think that a cumbersome system is being introduced in the matter of appeals from the decisions of the Soldier Settlement Board. Instead of appointing a judge of the Exchequer Court, why not appoint county or district judges, such as we have in the West? In Saskatchewan we have some 21 judges located in judicial districts, who could go fully into these matters in their localities, and in that way I think those men should be the ones to whom appeals should be referred when necessary. We have many judges out West who are practically going to seed for want of work, and I am told that this state of affairs exists, to a greater or less degree, throughout the country, and that those judges are practical men with ripe legal knowledge. I understand that there are only two Exchequer Court judges in Canada, so that if an appeal were made in British Columbia, in one of the Prairie Provinces, or even in an eastern Province, an Exchequer Court judge would be required to take a long journey to the Province concerned, in order to decide that appeal.

Hon. Mr. DANDURAND: No; the Exchequer Court is specially empowered to appoint assessors to take evidence whenever it is necessary for one of the judges to do so. The Committee, which dealt with this matter when I was not present, was actuated by the fact that by the method adapted there would be uniformity in the judgments, because they would all come back to these two judges in the Exchequer Court.

Hon. Mr. GILLIS: The Bill does not say so.

Hon. Mr. DANDURAND: No, it does not say so, but the powers of the Exchequer Court on that score remain intact.

Hon. Mr. GILLIS: Might the district or county court judges be appointed for such work?

Hon. Mr. DANDURAND: I would judge that the Exchequer Court judges could choose any judge they pleased.

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

DIVORCE BILLS

SECOND READINGS

Bill Y6, an Act for the relief of Edward Barker.—Hon. Mr. White (Pembroke).

Bill Z6, an Act for the relief of Joan Henderson.—Hon. Mr. McMeans.

HANDFIELD DIVORCE PETITION

CONSIDERATION OF COMMITTEE'S REPORT POSTPONED

On the Order:

Consideration of the one hundred and sixty-seventh report of the Standing Committee on Divorce, to whom was referred the petition of Joseph Azarie Handfield, together with the evidence taken before the said Committee.—Hon. Mr. Willoughby.

Hon. Mr. BEAUBIEN: Honourable gentlemen, with the leave of the Senate I wish to move that this report, and the evidence attached thereto, be referred back to the Standing Committee on Divorce.

In doing so, I do not intend in the slightest way to criticize the report that has been made. I attended the sittings of the Committee and heard the evidence, and although it was circumstantial I must admit that it contained very serious charges against the respondent. The seriousness of those charges is the main motive for my motion. Those who are au fait know to what family the respondent belongs: there is no more respectable family in my part of the country. They are also acquainted with the relatives of the respondent, all of whom are highly respectable. There is no doubt that those charges are very painful indeed, not only to the respondent and to her child—for she has a young girl, a mere child of 10 or 11 years—but to the whole of her family.

I am advised on excellent authority that those charges can be met, and will be met and contradicted. The unfortunate part of this case was that it was presented ex parte. The gentlemen who sat on the Committee know how the case was conducted on behalf of the respondent: the attorney appeared, and stated that he had no mandate, and it is quite evident that he had just received the record for the first time.

There is now before me what I think is conclusive evidence of complete reconcilia-

tion between the parties. The last charge laid at the door of the respondent related to the month of September, 1921. Three years afterwards, in 1924, action was entered in Montreal, for separation from bed and board. As required by the procedure in the Province of Quebec, the claim, or what we commonly call the declaration, reciting the facts upon which the action is based, was made by the petitioner. He was heard in support of this declaration; and it is quite evident, from the marital relations between the parties, as admitted by the petitioner, at regular and frequent intervals from 1921 to 1924, that there must have been complete reconciliation. Besides, the case in the Civil Court of which I now speak was settled out of court by the parties, the petitioner agreeing to pay $125 a month to his wife, whom he now accuses of adultery.

It seems to me that in a case like this all possible opportunity should be given to the respondent to clear her reputation, that of her child, and that of her family, if she can. There is no great hardship to the petitioner, except of course that the Session is nearing its close, and there may be a fear that this Bill may not pass the other House. But if it is true that that danger now exists, it will not be very greatly increased. On the other hand, we have to weigh for ourselves the very grave injustice that may be caused—not by the Committee, because they have been as wide as possible under the circumstances—but by failure to hear the respondent's defence. If these charges can be met and repelled, it would be indeed a hard fate that would prevent the respondent from producing her evidence.

I do not think that my motion is an unusual one in this House. I am advised that even the Chairman of the Standing Committee on Divorce, when there has been a doubt in the minds of the Committee, has himself moved, that a case should be further heard in order that there should be absolutely no danger of injustice being done.

As to the reconciliation, I have now the evidence in my hands. Why that was not produced I cannot understand, except of course that this was an ex parte case.

For these reasons, weighing on the one side the slight inconvenience that there might be, and on the other the gravity of leaving a charge of that nature standing for all time against a name that has been heretofore respectable in the Province of Quebec, I hope that this House will accept my motion, and refer back the report and the evidence to the Committee. From what I have seen and heard, if the report goes back to the Committee, I have not the slightest doubt that the greatest possible freedom will be given to the respondent to establish her innocence.

Hon. Mr. LAIRD: Honourable gentleman, whether the motion before the House is usual or not, it comes as a surprise to some of us that we should be expected to vote on such a question without some statement from the Divorce Committee which heard the case. I think we are entitled to some information or some explanation from the Committee. I do not know anything about this case at all, and in the absence of any such statement I am put in a very embarrassing position in being asked to vote on this question.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, the honourable member who has moved the amendment (Hon. Mr. Beaubien) has rather commended the Divorce Committee upon the impartiality with which it has heard this application. He has made no stricture or comment in regard to the action of the Committee; therefore no defence is necessary. The evidence offered, after every opportunity had been given to the respondent, was in the opinion of the Committee sufficient to warrant the action which was taken. I am neither going to oppose nor support the amendment of the honourable gentleman. He is quite in order in saying that on one occasion during this Session a petition of divorce was referred back to the Committee at my instance. I may say that if at any time it came to my notice as Chairman of that Committee, after we had heard the evidence and recommended in favour of a divorce, that there was collusion that had not been brought to our attention, I would think it incumbent upon me to do what the King's Proctor does in England, or what the Attorney General in Saskatchewan does, namely, to inquire into that question. In the Old Land the decree nisi only becomes final after three or six months, and if certain things transpire in the meantime, it may never be issued. If it came to my knowledge that the parties had been guilty of collusion and that facts had been suppressed, I would ask that the report be referred back.

Right Hon. Sir GEORGE E. FOSTER: The honourable gentleman has stated one case in which he would consider it his duty to make an investigation. Suppose that before a report has been dealt with by the body to which he has referred, it comes to his knowledge that entirely new evidence has been brought to light which would, in his opinion, absolutely affect the decision of the

Committee on Divorce, would he regard it as necessary that it be taken into account by himself for advisement with his Committee?

I quite agree with my honourable friend who spoke before (Hon. Mr. Laird) that every one of us who was not at the meeting of the Divorce Committee is put in a position that we do not like to occupy. No one wants to do an absolute injustice to anybody, least of all to a woman with a child; but we know nothing of the facts of the case at all. What I looked for was a statement from the Chairman of the Committee that all the evidence had been presented—which I understood to be the case—and that the decision had been made on the facts of the case which were freely allowed to be presented before the Committee. It is almost too much to ask one without any knowledge of the facts to vote upon a question of this kind. If the Chairman of the Committee had said, "I will look into the matter, and if I consider that this is absolutely new evidence, I will raise no objection to the report going back to the Committee"—

Hon. Mr. WILLOUGHBY: I may say that as a member of that Committee I have no knowledge, nor has any other member that I know of any knowledge, of new evidence other than the statement which the honourable gentleman has just made, and which he makes upon his responsibility as a member of this House, and which I accept as being made in good faith.

As to the remark that there might be other cases, I may say that in my view the Divorce Committee is dealing with more than a mere contract: it is a contract plus. Speaking for myself, if it came to my knowledge, even after we had heard a case, that beyond the shadow of a doubt there had been condonation or collusion, I would be open to hear evidence upon that point. I do not regard divorce as a civil matter in the courts, where a client has his day in court and must stand by the decision if he fails. We are dealing with something more than contract, and the report is under our control till it passes into a Bill. I can conceive of cases in which I would be inclined to hear evidence which had not been forthcoming.

Our rules provide that a defence has to be filed within a certain time, and I think any Chairman of the Divorce Committee, if it were brought to his attention that important evidence could be produced, would allow it to be laid before the Committee even though a respondent has filed no notice of defence. Certainly I would always adopt that rule.

Right Hon. Sir GEORGE E. FOSTER: I sympathize entirely with my honourable friend, and put the question for the purpose of asking whether it would not be better for my honourable friend (Hon. Mr. Beaubien) to put the new evidence into the hands of the Chairman of the Committee to try to see what can be done in that respect before bringing it into this House, where nineteen out of twenty members know probably nothing at all about the case, and where I for one am very much in doubt how to vote.

Hon. Mr. BARNARD: As a member of the Committee which sat on this case, I would like to say a word or two. Unfortunately I was not in the Chamber when the honourable gentleman moved his motion and commenced his remarks, and therefore I do not know what he said with reference to the possibility of the introduction of new evidence. I did hear his suggestion that this case was tried ex parte, and to that I take exception. The respondent was represented by counsel. It is true that counsel for the respondent stated that he had not been instructed, and that he had been unable to get in touch with his client. The only reason he gave as to why he was not instructed was that his partner who had the conduct of the matter in their office had gone away and left an entry in his office diary to the effect that this trial was to come up on a certain date, I think the 10th of June, and that no instructions had been passed on from the member of the firm who was going away to the counsel who represented the respondent. Having had a moderate amount of experience in the conduct of law practice, that seemed to me a very extraordinary state of affairs. During the course of argument and discussion as to whether an adjournment should be allowed, and so forth, it transpired that this respondent could be got in touch with at any time if wanted, and I do not think I am over stating the case when I say that I think the bona fides of counsel for the respondent, in saying that he could not get in touch with his client and be properly instructed, was very much questioned by the Committee.

That Committee, I think, was one of the most representative Committees that has sat on a divorce case this Session. My recollection is that seven or eight out of the nine members of the Committee sat on that date, and on the evidence submitted came to a unanimous conclusion; and at that time there was no suggestion by counsel that any fresh evidence had come to light. If such a suggestion had been made he would have been accorded an opportunity of putting it in. In my opinion, the case was quite clearly proven, and I see no reason for the proposed amendment.

In conclusion, I may say that this is an excellent instance of the very absurd way in which we try to conduct the divorce business of this country. We all know that a very large proportion of the population does not believe in divorce; unfortunately, there is also a very large proportion of the people—in fact, I think the greater proportion—who do believe in divorce. The result is that you have a court which I think most of the members of the House will agree strives to do its best under the circumstances, but whose decisions are left to the revision of a House composed of 96 men, 90 of whom have not head or bothered to read the evidence. However, if the people of Ontario and Quebec want their matrimonial squabbles settled in that way, I suppose they must have it. So far as I am concerned, if a vote is taken on this proposal, I intend to support my action as taken in the Committee.

Hon. Mr. REID: I think, so far as my experience in this House goes; it has been the custom to accept the decisions of the Divorce Committee. The members of the Committee have heard the evidence and know the circumstances, and in this case I see no reason why I should not vote in accordance with their report.

However, a question has been raised, and an amendment moved by an honourable member who states that there is new evidence. Of course, I quite agree that if our vote to-day were to prevent the hearing of that evidence, I might see fit to reconsider the matter and vote for the amendment. But every honourable gentleman in this House knows that there is a Committee of the other House to which every Bill is referred, and that evidence is heard there. I remember a number of cases in which, when I was a member of the House of Commons, the Committee of that House heard evidence.

Hon. Mr. CASGRAIN: Took evidence?

Hon. Mr. REID: Took evidence, yes. There is no doubt that they have the same right to hear evidence that our Divorce Committee has, and in a few cases they have taken evidence. I could mention cases in which it has been done. If we let this case go to the House of Commons, and they refer it to their Committee, that Committee will hear any new evidence there may be, and will deal with the case accordingly. Why cannot we let the Bill take the usual course? In doing otherwise we may be doing an injustice to the Divorce Committee and to the parties interested. If this case were referred back to our Committee and the same report was presented later on, it would then have to go to the House of Commons Committee, where it would be gone into again. The Session is nearing an end, and I think it would be better to let the Bill go to the other House, where the parties can be represented before the Committee, and if there is to be a fight, the parties can fight it out there, and the decision of that Committee would practically settle the whole matter so far as the divorce is concerned. I feel that we would only be making trouble in referring the report back to the Committee here. For that reason, I am going to support the report of the Committee.

Hon. Mr. DANDURAND: I am somewhat surprised to hear that there is such a procedure in the other branch of Parliament as that mentioned by my honourable friend. I always thought that a case was tried on the same record in both Houses. I do not understand that after the evidence is heard by the Senate Committee, and printed, and sent to the other House, the Committee of that House can hear further evidence or new evidence without being obliged to reprint it in order to explain to this Chamber the reason for their decision. Surely a case which is tried by the two Chambers must be tried on the same evidence. I have never heard of a divorce case coming back from the Commons with supplementary evidence printed and distributed to members of this Chamber. It is true that I do not read divorce evidence, that I do not attend the Committee, and that I have taken no part, pro or con, in divorce matters. I should think it very regrettable indeed that there should be a division of opinion on a proposition to refer a case back to the Committee for further consideration if new evidence is offered. That would surprise me very much. I must say that I am much surprised to hear that my honourable friend has been in a Committee of the Commons which took evidence.

Hon. Mr. SCHAFFNER: If I understood correctly the honourable leader of the Government, he questioned the statement of the honourable gentleman to my left (Hon. Mr. Reid). I can give one specific case that occurred when I was a member of the Private Bills Committee of the House of Commons. That is the Committee before which Divorce Bills used to come, and I presume they do yet.

Hon. Mr. BELAND: Yes.

Hon. Mr. SCHAFFNER: I remember very distinctly one case in which the Private Bills Committee of the Commons took evidence for two days.

Hon. Mr. DANDURAND: On a divorce matter?

Hon. Mr. SCHAFFNER: I am talking about divorce. It was on a Divorce Bill, and the Private Bills Committee had men and women present to give evidence. I understood the honourable gentleman to question whether the Private Bills Committee took evidence.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. SCHAFFNER: Well, though I do not know what is the present practice, I have no hesitation in stating that when I was a member of the Private Bills Committee of the Commons we did in at least once instance take the evidence of several witnesses.

Hon. Mr. DANDURAND: Was that evidence printed and distributed to the members of the House?

Hon. Mr. SCHAFFNER: I cannot say as to that, but I know we had witnesses and took their evidence.

Hon. Mr. REID: I can assure the honourable gentleman I know the procedure in the other House, having been a member for many years. On every Divorce Bill that goes from this House to the Commons a motion is made to refer the Bill to the Private Bills Committee. No Divorce Bill ever goes through that House without first being passed upon by that Committee. It is true that generally they accept the evidence as taken by the Senate and the Bill goes through without trouble; but there have been a number of cases in which objection has been raised and additional evidence taken. I saw cases in which several witnesses were called, the evidence was all gone over again, and new evidence was put in. If the Bill did not pass the Private Bills Committee, it disappeared, as would a petition refused by our Committee. The Bill in this case would undoubtedly go before the Private Bills Committee and that Committee in another day or two would have an opportunity to obtain any further testimony that can be got, and to complete the evidence. I do not think any honourable Senator who has been a member of the House of Commons will say that the procedure is not absolutely as I have stated.

Hon. W. B. ROSS: Honourable gentlemen, in the English Parliament, before the Divorce Act was passed, the practice was to take the evidence in the House of Lords, and then the case went down to the Commons and evidence was taken over again, exactly as if taken for the first time. Our Parliament, less given to form, dealt with the matter in a more sensible way. You will find a description of our practice in Bourinot at page 642:

> Until the Session of 1877 it was the practice to refer these Bills to a Special Committee in accordance with English practice, but it is now usual to refer them to the Standing Committee on Miscellaneous Private Bills. All the papers and evidence are referred with the Bill to the Committee. It has not been usual for the Committee to take additional testimony in the case, but the practice has been to base its report on the facts submitted to them by the Senate. In case, however, the House is not satisfied with the evidence on which the Senate has passed the Bill, it is always competent for the Committee on Private Bills to go into such further examination of the facts as may be deemed desirable in the interests of justice and society.

Right Hon. Sir GEORGE E. FOSTER: It is the House, and not the Committee, that seems to be the deciding factor there: "in case the House is not satisfied." Is not that so?

Hon. Mr. ROSS: Yes.

Right Hon. Sir GEORGE E. FOSTER: Then there has to be an instruction from the House of Commons, it seems to me.

Hon. Mr. ROSS: As a matter of fact, I know of one case which occurred when I was Chairman of the Divorce Committee, and in which evidence was taken on the other side. It was a case from Toronto—I have forgotten the names of the parties.

I should think that in the present instance one or other of two courses ought to be taken: either to refer back the application to the Committee to re-open the hearing on the ground of the discovery of further evidence; or else to send the Bill to the other House with the evidence that we have, and let that House call what evidence they like. The matter can be dealt with there as if it appeared there for the first time and need not be impeded by what has happened in this House. If this were the middle of the Session I would vote for a motion to send this report back to the Committee, to give the Committee a chance to hear an application for a re-opening of the case in the way I speak of; but at the end of the Session, I think the right thing to do, seeing that you are not thereby committing any injustice towards the respondent and at the same time are not throwing the petition out or putting the petitioner off till another Session, would be to let the Bill go to the other House.

Hon. Mr. BEAUBIEN: Honourable gentlemen, may I try to make myself clearer? I certainly did not wish to give this House the impression that my motion sought a condemnation of the report of the Committee. I thought I had taken ample precautions to show that in view of the evidence on record

I for my part had no fault to find with the report. My motion, therefore, was not directed against the report. I have attended the sittings and heard the evidence, and have not one tittle of complaint to make in that respect. That is the first point.

Now, as to the advisability of hearing new evidence. You have always considered that reconciliation was a bar to divorce, and there has been submitted to me only this morning, and not before, the evidence which the petitioner swore to in court in Montreal.

Hon. Mr. BARNARD: Will my honourable friend permit me a question? If that was a defence, that must have been within the knowledge of counsel for the respondent. There was continual reference during the hearing to the fact that there had been civil proceedings in Montreal between these parties. Why did not counsel for the respondent produce that as a defence?

Hon. Mr. BEAUBIEN: I did not say that the case was altogether an ex parte one. I said that the lawyer who appeared was evidently not familiar with his record, and that is quite plain now. When you open that record you see the evidence that could have been brought out so clearly. The trouble is that it was not presented.

I think the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) has made a very good suggestion, and I am quite willing to leave the evidence in the hands of the Chairman of the Committee. Defer consideration of the report until to-morrow if you like. After all, I am not more charged with this record than anybody else in this House; but I would hate to think that evidence which should have been adduced which was available, but was not presented, cannot be brought in now. So I am quite willing to accept the suggestion to adjourn consideration of the report until to-morrow. When the Chairman of the Standing Committee on Divorce has learned of this evidence, perhaps he will say whether there is any prima facie evidence which would justify the return of the case to the Committee. I think the honourable member from Middleton (Hon. W. B. Ross) has correctly described the procedure which would follow. The formal application for the reopening of the case would then be made, and the honourable gentlemen of the Committee could decide whether or not they should consider that new evidence, whatever may have been the reason why it was not previously adduced.

I therefore move that this report be not now considered, but that it be placed on the Order Paper for to-morrow.

Hon. Mr. STANFIELD: What about the honourable gentleman's other motion?

Hon. Mr. BEAUBIEN: With the leave of the House, I will withdraw the first motion and move that the order be not now considered, but be placed on the Order Paper for to-morrow. In the meantime the evidence will be handed to the Chairman of the Divorce Committee.

Hon. Mr. REID: I would like to understand the honourable member's motion. If it is passed by the House, does the honourable gentleman intend then to hand the evidence to the Chairman of the Divorce Committee?

Hon. Mr. BEAUBIEN: Yes.

Hon. Mr. REID: If the Chairman of the Divorce Committee considers it of sufficient importance, he will call the Committee together, and if the Committee decide that the application should be referred back, it will be referred back? If not, it is to go through to the Commons to-morrow?

Hon. Mr. BEAUBIEN: That is the way I understood the suggestion of the right honourable gentleman from Ottawa.

Hon. Mr. WILLOUGHBY: It is a responsibility that the Chairman of the Committee does not want to take upon himself. I have no objection to the matter being referred to the Committee if the House so desire, but it ought not to be left to the Chairman.

The amendment first moved by Hon. Mr. Beaubien was withdrawn, and his second amendment was agreed to.

DIVORCE BILLS

FIRST READINGS

Bill H7, an Act for the relief of Manford York.—Hon. Mr. Haydon.

Bill I7, an Act for the relief of Robert Fisher.—Hon. Mr. Haydon.

Bill J7, an Act for the relief of James Alfred McCabe.—Hon. Mr. Haydon.

Bill K7, an An Act for the relief of Dorothy Terry.—Hon. Mr. Haydon.

Bill L7, an Act for the relief of Lillie May Brown Nichols.—Hon. Mr. Haydon.

Bill M7, an Act for the relief of Hazel Pearle Clarke Pearcy.—Hon. Mr. Haydon.

Bill N7, an Act for the relief of Edith Swartz.—Hon. Mr. Haydon.

Bill O7, an Act for the relief of James Gibb Erskine.—Hon. Mr. Haydon.

Bill P7, an Act for the relief of Ernest Johnson.—Hon. Mr. Schaffner.

Bill Q7, an Act for the relief of May Elizabeth Chambers.—Hon. Mr. Schaffner.

Bill R7, an Act for the relief of Maxime Demers.—Hon. Mr. Schaffner.

Bill S7, an Act for the relief of James Edward Barnaby.—Hon. Mr. Willoughby.

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

THE SENATE

Wednesday, June 23, 1926.

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

Prayers and routine proceedings.

FARM LOAN BILL

REPORT OF COMMITTEE ON BANKING AND COMMERCE

Hon. GEORGE G. FOSTER presented the report of the Committee on Banking and Commerce on Bill 148, an Act for the purpose of establishing in Canada a system of Long Term Mortgage Credit for Farmers.

He said: Honourable gentlemen, on behalf of the Committee on Banking and Commerce, I desire to lay before this Chamber a report which is the result of careful and thoughtful study by the Committee extending over many days and many sessions. When this Chamber submitted that Bill to the Committee on Banking and Commerce, it was recognized that it required examination and careful study; and that it has had that careful study and examination is evidenced by the fact that I am submitting to you a Bill in which there are 14 changes from the Bill originally submitted to this House from the House of Commons. We examined witnesses from many walks of life, heard all who desired to submit their views and experience to us, and this report is the result.

I am not, at this time going to submit to the House the details of all the changes, because they are so numerous; but, in order that the House may have some idea of those changes, and the reasons for them that were laid before the Committee, I desire to submit a brief statement which I shall supplement later with further details.

One of the most important sections in this Bill is section 7 subsection (5), which provides the basis for computing the rate of interest which shall be charged to borrowers on mortgage loans. It should be pointed out that the Bill is based on the assumption that after the organization stage has passed and a reasonable volume of loans has been made, the system will be self-supporting. This means that out of the interest received from borrowers on their loans, there must be provided interest on the farm loan bonds issued, all the expenses of operation and the reserves necessary for actual and anticipated losses.

The rate of interest to be charged the borrowers should therefore contain at least three elements:

(1) The rate of interest to be paid on the farm loan bonds;

(2) The expenses of operation; and

(3) The provision for necessary reserves.

The Bill as introduced into the House of Commons left the latter two elements to the discretion of the Farm Loan Board. This necessarily precluded the fixing definitely of the rate to be charged borrowers on their loans. The reason for such a provision was that it is difficult at the present time to form a conclusion as to the probable rate of expense of operation. In the first place the scheme is unique in providing for a measure of co-operation between Federal and Provincial authorities, and it cannot be predicted at this stage to what extent this offer of co-operation will be availed of by the individual provinces. This makes uncertain the extent of territory to be covered by the system, the volume of loans to be made, the density of the farming population and consequently the probable expense of operation.

Another reason is that the system of loans provided by the Act differs materially from any other system. It has points of marked similarity to the Federal Farm Loan system in the United States, but there are also important differences.

In view of the uncertainty above mentioned, it was felt that the judgment of the Board should be absolutely unhampered in deciding upon the rate necessary to be charged borrowers.

In the House of Commons the Bill was changed in this respect by imposing a limitation of 1 per cent of the amount of the loan upon the rate of expense of operation. The provision for necessary reserves was left to the discretion of the Board. In the Banking and Commerce Committee of the Senate this limitation has been struck out and the subsection restored to the form in which it was introduced in the House of Commons.

It was the judgment of the Committee that it would be necessary for the Board, and particularly the Farm Loan Commissioner, to make a careful study of all existing State or quasi-public loaning systems on this continent for the purpose of ascertaining the rate of expense likely to be involved in the Canadian system. Estimates of the probable cost have differed very widely from 1½ per cent urged by the private loan companies to 1 per cent indicated by some Provincial systems in Canada, and to something less than 1 per cent indicated by the experience of the Federal Land Banks in the United States. It will be necessary for the Commissioner to endeavour to reconcile these divergent estimates by a detailed investigation of the different modes of operation and the expenses peculiar to each.

The other principal change in the Bill was the introduction of a provision for recognizing provincial experience in the administration of the loans for the purpose of determining the net cost to the borrowers in that province. The section does not attempt to explain in detail how this shall be worked out, but establishes the principle for the guidance of the Board.

I beg to move that this report be taken into consideration to-morrow.

The motion was agreed to.

DIVORCE BILLS

FIRST, SECOND AND THIRD READINGS

Bill T7, an Act for the relief of Ethel Clementina Craig-Williams.—Hon. Mr. Mulholland.

Bill U7, an Act for the relief of Frederick George Jones.—Hon. Mr. Robertson.

Bill V7, an Act for the relief of Ida Lu'a Dupuis Murchison.—Hon. Mr. Willoughby.

Bill W7, an Act for the relief of Gladys Andrea Boyle.—Hon. Mr. Willoughby.

CANADA AND THE LEAGUE OF NATIONS

MOTION FOR RETURN

Right Hon. Sir GEORGE E. FOSTER moved:

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

All correspondence between Dr. W. J. Riddell, Liaison officer of the Government at Geneva and the Department of Foreign Affairs with respect of the League of Nations and its relations to the Government of Canada.

He said: Honourable gentlemen, since I have had the honour of being a member of this body, it has been a custom of mine, whether agreeable to the members generally or not I am not going to hazard an opinion, to make a short review of matters which I think appertain to Canada but which do not come within the region of national politics, and to make the League of Nations the centre of my remarks. In doing that I avail myself of a privilege, and at the same time I have the idea that I am performing a duty. It is not possible for all the members of any legislative body to give particular attention, exclusive attention one may say, to any one subject, and members may very well be excused if, in the multiplicity of business interests which they have, they are not able to make themselves well acquainted with affairs in which Canada is concerned but which centre at a distance far beyond our own boundaries.

There are several reasons why I view the matter in that way. We all have knowledge of the changed conditions in political and constitutional relations that obtain between Canada and the mother country and the other nations of the world at large now as compared with 50 years ago. There has been a gradual process of evolution towards larger areas and a less confined scope of action from decade to decade, until to-day we call ourselves a nation and claim to have a status in the world very different from that which existed in former years. We have that status to-day, not because it has been forced upon us, but because we have invited it, and pressed for that claim being acknowledged and brought into process of fulfilment. But if we have that status we must not forget that it involves duties and obligations on our part. We cannot claim to be a nation and feel respectable under that claim unless we come up to the duties and responsibilities of a nation. So, with reference to the League of Nations and the status which we have in it and to other matters, we must not be content simply with gaining that status and being able to pride ourselves upon it, and in a reasonable way to boast of it, unless we are prepared to fulfil its conditions.

My motion is so worded as to bring the matter to this point, that we must get information from some source or other. We can seek for it individually, and thus gain the knowledge which is required; but I think the Government itself has some duties to perform in this regard, and my motion gives me an opportunity of pressing that duty upon it. We engage in no administrative enterprise or activity in which we do not bring to Parliament each year, in the form of a report of some kind, or statistics, the result of the operations in that activity for the previous

year. If we have Trade Commissioners, and distribute them throughout the world to work out the commercial necessities and activities of Canada, we consider it our duty to bring to Parliament each year a report as to what has been accomplished. That serves to illustrate my position. Likewise, if we have taken on certain obligations and duties in a national way in connection with the League of Nations, I think it is the duty of the Government to put into the hands of the representatives of the people in both Houses a report of and information in regard to the operations of the League of Nations of which we are a member, and in whose deliberations we take part.

The appointment of Dr. Riddell as Liaison Officer at Geneva carries out the first step in that direction; but the second step is equally necessary, that we should know not only that we have such an officer there, but also what takes place as a result of his residence and official work as Liaison Officer at that place. My motion suggests that the Government should give to us all papers that can reasonably be brought down, that will detail what action has taken place between the Canadian Government and the institution at Geneva during the year, and what has been done by the Dominion Government. I do not know whether they require a report from Dr. Riddell or not, but if not, I think they should call for such a report, taking in very generally the doings and work of the League of Nations so far as Canada has a part in that work.

Anyone who has inquired into and read of the operations of the League of Nations knows that each League Assembly passes a variety of resolutions, and that the Council of the League has to see that those resolutions are carried out. In this process there must be questions and answers, communications of various kinds, between the League of Nations and the Government of Canada and we ought to know what these obligations and transactions are in which Canada has been asked to take a part, and what part this country has taken.

Very important resolutions and conventions are approved, which require the assent of the nations that belong to the League, and one duty of the Council is to see that those important resolutions are placed before the Governments, and that the Governments answer them. Those answers are compiled, and become the property of the next Assembly of the League. I think it is important, if we are to keep a live interest in the League, and also keep tab on the work of the Government in connection with it, that we should have a record of those mutual communications between the Liaison Officer and ourselves.

Again, I think that, just as a Government feels its responsibility to give both Houses of Parliament a report of any one of its administrative activities during the year, so it ought to be the duty of this Government to put into the hands of every representative in the Commons and in the Senate at least the summary of the proceedings of the League which is published monthly at Geneva, and which gives in succinct form all the transactions of the preceding month, so that the recipient can learn from month to month and from year to year the progress the League is making in all its diversified activities. Two or three years ago I suggested that that should be done by the Government, but nothing has yet transpired, in so far as estimates are concerned, towards carrying out that idea. At least that much could be done by the Government, and probably all that would be necessary in that direction would be to present to each member of Parliament that monthly summary, so that each representative could make himself acquainted with the workings and doings of the League. That is all I have to say with reference to that portion of the business.

Then I wish to call the attention of honourable members to the League itself, especially to the last year of its operations, and in this way continue, to a certain extent, the short addresses I have made here from year to year, so as to place upon the pages of our Hansard a connected record to be at the disposal of all members.

It is true that the League of Nations has not metamorphosed the world in the six years that it has been at work. It has not revolutionized all the lines of action of which it has disapproved, in principle and in practice, which had been in vogue during all preceding years. No one should be so unreasonable as to hope that an absolutely new venture in international relations could, in so short a period as the League has been in operation, make an ultimate and complete success of its ideals, and incarnate them in actual practice. I am certain that no member of this Assembly holds such an opinion: that would be too unreasonable to expect.

The marvel to me has been that, considering the absolutely different ideal embodied in the League of Nations regarding international relations, the new venture has had so much success, and has made the progress that it has actually made. Nobody doubted from

the first that difficulties would be encountered. They were anticipated—not the exact nature of the difficulties, but it was known that difficulties would be met, and would have to be surmounted. From year to year, in the experience of the League, these difficulties have arisen; but a mere glance at the solution of them brings gratifying evidence that in almost every case when the difficulty was brought to the crisis a satisfactory solution has been found, and the setbacks of the League, so to speak, have been astonishingly few.

Those who are apathetic or antagonistic to the League naturally make the most of those difficulties; but the League has notable achievements to its credit, and in fairness, while taking cognizance of the difficulties, we ought also to take account of its achievements. When we come to do that I feel that no new departure in international relations, from the time that history began its record of them up to the present time, shows the astonishing progress that has been made by a new idea in so short a time. I think we must take that into account. It is true that the League has not eliminated all race hatreds and race prejudices; these have their roots too deep, and those roots have been in the soil for too long a time, and the fruitage has been so vast and so widely distributed, that it will take the moral strength of decades and even of centuries to entirely obliterate them. But no reasonable man can dispute that the League has done much to modify and soften those race prejudices and hatreds, by bringing nations and their representatives face to face with each other to consult with regard to their difficulties.

It is also true that the League of Nations has not eliminated or entirely abolished war. It will be a long time before wars are absolutely abolished; but I ask honourable gentlemen to take this fact into account, that no two nations of the 55 which belong to the League have engaged in war with one another. Wars have taken place along two lines: they have occurred inside of nations, where the League had no business and no right to interfere, and also between outside nations. The charge against the League at first was that it would prove to be a super-power, and would interfere with national administrations and policies. The experience of six years shows that that has not been true in a single instance; and the fact that the wars that have taken place have been wars within nations, or amongst nations which were outside the League, goes to prove absolutely that this is not a super-power, and also brings out clearly the fact that nations must be allowed to carry on their affairs within their national limits without forced interference by the League.

There have been disastrous, sad and deplorable wars in China, within the nation itself, and they are still going on; but outside of the general moral influence exerted upon China as a member of a League of 55 nations that are against war, and are in favour of peaceful solutions, there is at work within China to-day an influence which will shorten the period when those internal wars will be as prevalent and as expensive as they are to-day. There is that moral influence which is being exerted constantly.

There is, or was, a war in the Riff, but that was a war of a different kind. France and Spain had dominions in Morocco, and had to protect them. The Riffs were outside of the League, and they became a thorn in the flesh of the administrations in Morocco. That was a matter of national interest which France and Spain alone could decide, as to policy, and as to the methods to be pursued. But even there it cannot be doubted that amongst the French and Spanish peoples themselves there was a distaste for that war, and a desire that it should not be unnecessarily prolonged, but should be brought to an end as quickly as possible, by agreement or some other method; and the fact that the League of Nations existed of itself shortened that war.

Then, you have a war of a different kind; it is a war internal in a mandatory—

Hon. Mr. CASGRAIN: Do not forget Spain.

Right Hon. Sir GEORGE E. FOSTER: Spain was with France. We had also a war in Syria, an insurrection in a mandated territory; but that territory is in charge of France under her charter as a mandatory power, and under conditions imposed by the League, and the League itself cannot dictate to France how she shall manage the mandatory within herself, except in one way, and that is the way in which it is being done. France takes a mandatory; she has a charter; that charter has certain conditions; it is supervised by the League. There is a Committee of 9 which sits permanently, to whom all transactions in mandated territories are reported. That Committee takes into consideration what is taking place, asks for information, examines grievances as they are made known, and asks for their explanation from the mandatory power; makes its report to the Council, and the Council spreads it before the Assembly, which places it before the world. That is the way that mandatories are carried

out—not by the arbitrary interference of the League in the affairs of the mandatory power, but in a review of the action taken, and in approval or otherwise of that action, which comes afterwards.

So all these wars, which may be cited, and are cited by people who do not quite understand the League formation, are not arguments against the League itself, but are rather evidence that the League is not making of itself a great super-power to dominate every nationality with which it comes in contact.

Our opponents, and sometimes our friends, take the instance of Corfu and the difficulty between the Italian Government and the Greek Government two years ago. That, again, was not a war; it was a step taken by one member of the League to another which might easily have resulted in a disastrous war, but which, under the constitutional methods of the League, was stopped at the earliest possible moment. The arrangement that was reached was arrived at under the methods prescribed by the League.

Hon. Mr. CASGRAIN: The Council of Ambassadors.

Right Hon. Sir GEORGE E. FOSTER: Mussolini was not an old experienced hand in League work. Mussolini has ideas of his own. Like many other statesmen in European countries, he was pretty well saturated with the old doctrine and had not got the new medicine into his constitution. Consequently, when something occurred involving the murder of an Italian citizen, the old method was what came to the mind of Mussolini, and he sent his troops to Corfu. They took possession of it, and slaughtered twenty or thirty persons in doing that.

Hon. Mr. CASGRAIN: Sent a fleet.

Right Hon. Sir GEORGE E. FOSTER: Immediately the League curb operated. The League itself was in session, and what happened—to make a long story short—was this, that in the end, by the interference of the League, the matter was referred to arbitration—

Hon. Mr. CASGRAIN: Outside of the League.

Right Hon. Sir GEORGE E. FOSTER: —and the arbitrators were the Ambassadors' Conference. The fundamental principle of the League is that arbitration, agreed upon by the two parties, or mediation by the League itself, and all these other different methods of settlement, shall be used instead of war. Greece and Italy, when the pressure of the League was brought upon them, mutually consented to have the difference between them arbitrated by the Ambassadors' Conference. That Conference heard both sides. I may say that the very award of the Ambassadors' Conference was founded upon and mainly consisted of the arrangement which was proposed to them by the League of Nations Council itself, which they adopted and carried out in practice. So, as I have stated, no war has taken place between members of the League itself. Its pledged membership has been true to its pledge, and in all respects, up to the present time, what I have stated will be found, I think, to be absolutely true.

Now let me go a step farther and take up some of those difficulties which have occurred and which more particularly pertain to the past year. Perhaps I shall do that best by making allusion to some three or four of the outstanding achievements of the League of Nations. My view is this—and I think everyone will agree with me—that the last year has been the most interesting and most fruitful year of the League of Nations. It has encountered possibly greater difficulties than ever before, and it has attained greater achievements than ever before.

The chief of these difficulties in our minds to-day is probably that in reference to the special assembly of the League of Nations which was convoked for the one and sole purpose of admitting Germany to membership in the League, and, according to the understanding, to a permanent place on the Council. I will not enter into a lengthy story of that, but the kernel of the affair is this. The Pact of Locarno was entered into by the seven nations which are by far the most important nations, or set of nations, in Europe, and agreement among them almost necessitates accordant action by the other European nations. Those seven nations consist of France, Germany, Italy, Great Britain, Poland and Czechoslovakia. Anyone hearing the names bears out my assertion that those seven are the great preponderating powers in Europe.

Hon. Mr. BELAND: My honourable friend has not mentioned Belgium.

Right Hon. Sir GEORGE E. FOSTER: And Belgium. Belgium is requisite to make up the seven. Those seven nations, then, Germany being one of them, came to an agreement the great aim and object of which was to ensure the elimination of war and to cure a defect which everyone has seen from the first in the League of Nations in Europe —that one of the principal nations, Germany,

was not a member of the League. One of the conditions for the carrying out of the Treaty or Pact of Locarno was that Germany should enter the League and take her part as a member in giving effect to the Pact. Very well. For that purpose there had to be a meeting and vote of the Assembly. Only in that way can a new nation be brought into the League of Nations. As it was considered essential that so important a pact as Locarno should be put into operation at the earliest possible moment, for the health and sanity of Europe if not of the world, and it was decided to call a special meeting of the Assembly, and that was called in March.

According to the constitution of the League of nations, the veto power is resident in the Council. Every representative in the Council of the League of Nations—and the representatives are ten in number—has the power of absolute veto; therefore if a measure is proposed in that Council it must carry the assent of the ten. Any one power can interpose its veto, and if its assent is withheld the action proposed cannot be achieved or brought to a successful conclusion.

Before Germany agreed to enter the League, in accordance with the conditions in the Locarno Pact, she took measures to make sure if possible that every one of those ten representatives—four from the great powers and six from the Assembly—would be favourable to her having a permanent great-power place on the Council of the League of Nations, and she thought she had achieved it. In every instance it was achieved except that in the case of Brazil whose letter in reply did give room for an ambiguity or an interpretation which might be adverse. However, it was taken for granted by all—Germany and the others—that there would be no opposition to Germany's having a place upon the Council, and consequently no bar to her entrance.

The Assembly, representative of fifty-five nations, met and did its preliminary work: examined the credentials of Germany, approved them, and approved of her entrance into the League. That was their duty, and they did it. The block came when the Council did not find itself unanimous upon giving Germany a permanent place, and when Brazil finally determined to persist in her veto it was impossible to carry out the proposal Consequently the League said: "Very well; all that we can do is to give time for reflection; we will adjourn this whole question until the September Session, the regular Session of the League, and then we will take it up; in the meantime we will have an investigation made into the Constitution of the Council of the League of Nations by a Committee to see whether or not it is possible to adopt a procedure which, while being reasonably safe for the League, will satisfy the ambitions or desires of Brazil and"—one may say it—"of Spain"—which also took the opportunity of asking for a permanent seat.

That Committee was appointed, and it met and came to certain conclusions, and then adjourned to meet again on the 28th of June; but the Council when it received the Committee's report of what had been done, concluded that the meeting for the 28th of June was not necessary. and it was called off. This meant that the Council of the League of Nations had settled its policy with reference to the question of permanent representation on the Council. That that is the effect of it is shown by the position since taken by Brazil and by Spain. They have evidently concluded that the League does not intend to go beyond the principle settled at Paris, and persisted in since, that permanent places are to be given only to great powers, and that the others must be represented in the Council by election, yearly or otherwise, by the Assembly itself. Consequently Brazil has withdrawn from the Council. That is fact number 1. Brazil having withdrawn from the Council, the way is open and clear for the admission of Germany in September, because all the other members being favourable there will be no opposition to her having a permanent place on the Council. So a difficulty which seemed on one side to be almost insurmountable and liable to involve loss to the League of Nations, has resulted on the other side in absolutely clearing the road for Germany's entrance into the League of Nations. If Spain and Brazil persist in withdrawal from the League, the counter-gain will be Germany's admission to the League, and it is a question which of these results, as alternatives, would have been chosen in the interest of the whole League.

But take this into account. Notice has been given of Brazil's and Spain's intention to quit the League. It takes two years to carry that out. Many things may happen before the two years are up. I remember when, at the first meeting of the League of Nations, Argentina occupied a representative position in the League. Argentina is a very strong South American power. Comparing Brazil and Argentina, without being invidious, you would come pretty well to the conclusion that one nation was just as influential as the other. However, that is a matter of opinion. Now, Argentina, in that first League Assembly,

proposed a motion for the immediate inclusion of every nation in the League of Nations. That is, Argentina wanted a resolution passed by which in that first year, Germany should be included in the League. Well, it was too near the war to undertake a project of that kind. France would have been absolutely opposed to it, and so would many other members. But Argentina had so set her soul upon it that when she was refused by the Assembly she said she would not play any more in that garden, and she got up and left. She did not abandon the League of Nations; she kept her membership; and now, in the fifth year afterwards, she has paid up all her back dues for the preceding four years and has intimated her intention to take an active part in the League of Nations from this time on. So there is always chance for change of opinion, and our faith in the League of Nations is such that we do not look upon either Brazil or Spain as lost to the League. That explains what has occurred, and the denouement will take place in September next, when we shall see whether, if there has been a possible loss, there has not been also a great gain.

In the remaining part of my remarks this afternoon I will allude to some of the achievements of the League. I have told you of some of the difficulties. What about the achievements of the past year? They are notable. The first achievement of the year has been the accession of the United States of America to the Permanent Court of International Justice. The attitude of the United States Government in the begining may be inferred from the fact that in the first and second years of the League, when the League wished for information from the United States Government in connection with its general health operations and wrote to that Government for statistics and other information, the Government of the United States refused even to acknowledge the League's letter—not only declined to give the information, but declined to receive any communication from the League. The only way the League of Nations got the information on those health subjects was by applying to Holland, which was a member of the old health organization, and asking Holland to communicate with Washington and get the statistics and the information, and then send them on to the League. That marked the then attitude of the United States with reference to the League. The situation changed gradually, as it is best that things should change, and in one after another of the activities of the League the United States gradually fused and took its part, either officially or by advisers whom it sent as onlookers, as it were—

Hon. Mr. CASGRAIN: Observers.

Right Hon. Sir GEORGE E. FOSTER: —but who followed matters, or participated in them, and reported to the United States Government what had been done. Mr. Harding, in his time, came to the conclusion that the United States should, at least, take membership in the World Court, as it was called. He recommended that to the Senate. The Senate pigeon-holed the recommendation without any remark, complimentary or otherwise. When Mr. Coolidge came in on the demise of Mr. Harding, he followed the same policy, sending in a recommendation. That also was pigeon-holed by the Senate with no remarks. The next year he sent in another recommendation, and in that year something happened: the House of Representatives at Washington passed an almost unanimous resolution approving of the entry of the United States in the World Court, and declaring its willingness to provide the necessary appropriation therefor. The Senate did not act, but at last, under pressure, it did make a promise that that matter would be the first item on its program upon its reassembling in December last. A message again went from Mr. Coolidge, and the Senate took action, and by a very large vote approved of the entry and authorized the President to make entry into the Court. It appended to that approval certain reservations, but of all the reservations only one is really of importance: there would be no dissent from the others. The one that is the most important is now under consideration. What we are hoping for is that nothing will prevent an accommodation with reference to that reservation which will place a representative of the United States in the World Court. At all events, you have the absolute recognition of the principle of the World Court, which is an organization which was only made possible and was constituted by the League of Nations. That shows a considerable change of opinion.

More than that. To-day the most important Committee that the League of Nations has ever convoked at Geneva is in operation. What is that Committee? From the very earliest inception of the League everybody recognized the burden of warlike armaments We in Canada know what war entails. Of our debt of two and a half billions, nearly two billions, is the result of war. You cannot escape it. If it does not come in blood from some of your citizens it comes in taxes upon

every citizen, and that immense burden of taxes, which is to-day our plague, is the result of war. Military armaments to-day are one hundred per cent more expensive—maybe that is too low an estimate—than they were at the beginning of the late war. So, from the inception there was the idea that we must get rid of the burden of armaments, and that the only way to do it was to establish a feeling of confidence in the nations that they will be preserved without those expensive armaments—a sense of security which will permit them in common agreement to diminish to the very lowest limit the armaments which are necessary for their national preservation.

For five years the League has been working upon that most complex and difficult question. Fancy 55 nations of the world, each with its national ardour and national sentiment, coming to a conclusion as to how they can arrange this matter so as to make each secure and give no one an advantage, and so get rid of the burden upon them. The matter progressed from stage to stage, until at last it got to the point of the League convoking a preparatory Commission to examine into the principles and foundations upon which a proposal could be put before the world of nations that they should agree to a diminution of armaments. That preparatory Commission is a most important and representative one: Germany is on it and the United States is on it, although neither of them is a member of the League, and when the invitation was given to the United States to go in with the League on that Preparatory Commission. President Coolidge adopted the idea, and Congress gave him the vote which was necessary to send a delegation and probably no more distinguished representative delegation of the United States has ever been sent abroad than the one which is to-day in Geneva co-operating with the Preparatory Commission in order to establish a basis upon which the nations of the world can be asked to come together for disarmament. I give that to show the change of sentiment which is taking place. That is one of the events of the last year.

Another notable event of the last year is the Locarno Pact. The Locarno Pact arises out of the Protocol. The Protocol was the culmination of five years of effort to get at a basis of security and confidence among the nations which would enable them to disarm to a limited or to a large extent, and so get rid of the burden of armament. That Protocol was the unanimous decision of the fifth Assembly, and that decision was sent to the Government of every nation in the League in order to get its opinion upon it. Though the Assembly agrees upon a certain proposition, it is not effective until it gets the support of the stipulated number of nations behind it.

Now, the principle involved in the Protocol was arbitration of all questions arising between nations—arbitration instead of war. If you can once pin down the principle that not war but arbitration shall be the method of settlement, then the provocation or the incentive for armament and heavy forces is done away with. Once instil confidence, once just make it possible for all the nations to solidly accede to arbitration, and you have the foundation for security. Once you have that, you have the foundation for disarmament.

But there comes the point. A nation says: "How am I to be sure that the one that I have a dispute with will submit to arbitration? Where is the sanction?" There comes in the question of sanctions. In the Protocol the sanction was provided. It was provided that the aggressor should be defined so that a child could pick him out, and that the aggressor should be the proscribed bandit amongst the nations, and that all the other nations should band themselves together against that bandit nation, and, if necessary in the end, to do what your policeman has to do on the streets of Ottawa—to take the robber or the burglar or the bandit by the coat collar and carry him off if he will not go peaceably, and put him in a cell.

Hon. Mr. CASGRAIN: Use force.

Right Hon. Sir GEORGE E. FOSTER: Behind every administrative work of government of municipalities, provinces, and nations there is and must be an element of force. You cannot allow yourself to convert 999 people out of a thousand to the arbitrament of peace, and then have your thousandth man say: "A fig for all your peace; I will go out and burglarize your house and cut your throat if you resist." You have to take that man by force. So sanction was necessary.

Hon. Mr. CASGRAIN: Brute force.

Right Hon. Sir GEORGE E. FOSTER: Brute force? Call it what you like. It is brute force in so far as a man is a brute and has muscle and takes hold of the offending one and collars him and takes him away. Call it brute force if you like. I call it the essence of civilization embodied in that significant resource which is the ultimate resort against the one man in ten thousand who will not submit himself to the law and the conventions of society.

Hon. Mr. BELAND: We have brute force in every peaceable city on this continent every day.

Right Hon. Sir GEORGE E. FOSTER: Everybody knows that, and my honourable friend who denominates this as brute force would be the very first person to say: "Here, brute, use that force: a chap is going to throttle me." You would not be safe for a moment if there was not that ultimate resort in civilization.

Now, Great Britain is the great naval power in Europe; and Great Britain had an experience of the most acute and poignant character during the first two and a half or three years of the war. What was that? It was that the United States of America, a great country, a great commercial and exporting country, was anxious to sell its goods and to keep up the outgo of its exports. Great Britain and the Allies had to say: "This is a death struggle, and one method by which we may conquer is to prevent the furnishing of warlike supplies, and in the end food supplies. It is difficult to make a division between them when it comes to a struggle between nation and nation or between civilization and barbarism or autocracy. Great Britain was on the very verge of war with the United States more than once, because the United States objected to Great Britain interfering with her ships laden with products for Europe. Great Britain had that lesson. It went on the principle that it would pay anything required as damages, but this struggle must be over first; and in the end that principle conquered, and the moment the United States came into the war all opposition to the embargo ceased, and from then on the United States was one of the most ardent and most powerful blockaders in the whole of the Allied forces.

Now, Great Britain says if sanctions are to be put on, and moral force does not in the end carry a sufficient penalty and tame the recalcitrant, then you come to the application of a blockade, and if a blockade is to be carried out in Europe or elsewhere in the world against an enemy, it is the fleet of Great Britain that will have to do it. To-day, with the United States out of the League, are we not up against the very same difficulty? And Great Britain says: "Whilst favourable to and whilst acting for years, on the principle of arbitration, it is too world-wide a contract, too indefinite in time, and with difficulties that cannot be anticipated." Then came the question: "Very well, Great Britain: you say you cannot stand by the Protocol which has been decided upon as the finality with arbitration and sanctions behind it. What do you propose to put in its place?" That is a question which Great Britain could not refuse to answer. Without going into it in detail the Locarno Pact is really a pact to solve that question, but it does it regionally rather than over the whole world at the one time. So these seven nations get together, and Germany, France and Belgium say: "We will submit every difference between us to arbitration," so the Locarno Pact involves arbitration just as the Protocol did; then: "We will not make war upon each other; we will observe the limits on the west and the delimited zones; we pledge ourselves to that." But where is the sanction? Suppose one of us refuses to do it, the old question arises: "Where is the sanction?" Then the sanction comes in, and Great Britain and Italy, two great Powers, stand behind that agreement and say: "We will guarantee that that shall be fulfilled, or we will do this: if any one of those three Powers is the aggressor and violates this compact, we will be against that Power and will go with the other Power in order to restrain the aggressor."

This Pact is confined to seven nations rather than to all, but the principle is exactly the same, and I am not going to take upon myself to deny that it was a reasonable way of working out the ultimate end, for if those seven Powers bind themselves in that way, with Germany in the League, it is pretty certain that such conduct will be not only an example, but a compelling reason why the other nations should do the same. Already three or four other nations have started out along that same line of arbitration Treaties with guarantees of that kind.

Another case in point is the Greco-Bulgarian trouble of last October. Carry along in your minds what would have been the process if there had been no League as compared with the process under the League. If there had been no League, Greece and Bulgaria start fighting. Greece and Bulgaria continue fighting. Who is to tell them not to fight? They are under no obligation to the other nations. If Italy steps in and says: "You must not fight," immediately Italy is accused of having some selfish design, and if she interferes, as sure as fate some other country that is interested in the Balkans would also interfere, and under the old regime the first shot fired would have led to a Balkan war, and perhaps to a European war. Every man can exercise his own judgment as to that statement. Look into it and see if I have not made a fair inference.

Under the League, what happens? Bulgaria is a member of the League; she is under obligations to the League. Greece is a member of the League; she is under obligations to the League. The League has a Council which is ready to get together inside of 24 hours—a Council which represents four great Powers and all of the 55 nations of the League Assembly. The Powers do not have to get into communication with one another and say, "What can we do about this?" They have a right to say, as they did, "Greece! Bulgaria! You are violating your obligations; instead of going to war, you should have submitted this difference to the League; we will call a meeting of the Council in Paris on Monday evening"—this was on the Friday preceding—"and we summon you to have your representatives there to lay before the Council this trouble that you are in. In the meantime, silence every gun; take every soldier out of your opponent's territory; do not fire a shot. If you do, you come under the sanctions of the League." What happened? On Monday Greece and Bulgaria had their representatives before the full Council in Paris. In the meantime they had withdrawn every soldier from contiguous foreign territory, they had put their guns aside, and there was no shooting. The result was that inside of three days both those countries came to conclusions which were urged upon them by the Council of the League of Nations. The dispute was settled; a Commission was sent to inquire into the matter and assess the damages; that Commission acted and assessed the damages on Greece—a most wonderfully vital principle, which is that the aggressor shall pay the damage. In the end the Council agreed to this Commission's report; the fine was paid; the two countries shook hands, and, what is better than all, an international arrangement was made by the League by which neutral Swiss officers patrol that frontier between Bulgaria and Greece in liaison with the outposts on each side, so as to prevent any recurrence of that kind.

Now, that is the contrast. If nothing else was achieved by the League, is that not a wonderful achievement? But the fine thing today is that, with all the great Powers present, that principle was nailed down—that war is not to take place, either with big nations or little nations; and that the damages must be assessed on the country, big or little, that makes aggression. You cannot have a child do what a grown man will do, yet the League has been able to do this in five years. The League was not able to take just that stand with reference to Italy and Greece in the Corfu business, but the League has grown, and it has immeasurably increased its prestige by fixing that principle. That, and the Locarno Treaty, are wonderful achievements of the past year.

There was another case—Mosul. There was a dispute between Great Britain and Turkey under the mandatory of Iraq, with reference to the boundary between them. In the Treaty of Lausanne it was stipulated that Great Britain and Turkey should agree on that line, and if they could not do so within nine months, it was to be sent to the League to settle. They did not so agree, and the League appointed a Commission which travelled over the whole region, took all the information they could get from headmen and tribesmen of the different races, and from the Governments involved, and they came back with a report settling upon a provisional line called the Brussels line. That line had been made provisional in 1924, and the representatives of both Turkey and Great Britain had agreed that they would properly respect that line, and would not move on either side of it against each other, and that they would abide by the decision of the Council. But when it came before the Council the Turkish Ambassador simply said: "I repudiate that; my Government does not recognize it; unless we get what we want in Mosul we will take nothing; anyway, your Council has not power to decide it; all you can do is to advise with us." That raises the question of competency: How could that have been settled if there had been no League? But it was referred to the World Court; both sides argued their case, and the World Court gave its decision, which was that the Council had the right to decide the matter the Council did decide it. Then the Turkish representative rose and said: "All right; decide it; we will have nothing more to do with it; we do not, and we will not, recognize the settlement." But second thoughts are best, and what prompted the second thought? It was this: Turkey saw that this was no longer a matter between her and Great Britain; it had now passed out of Great Britain's hands, and had become a decision of 55 nations of the world. That was a different matter, and meant bucking up against 55 nations of the world.

Remember that under this decision there was no chance for Britain and France to get at ragged edges about a policy in reference to Turkey, as they did at Chanak. France is a member of the League and Britain is a member of the League. Once the League decision is given there is understanding and

mutual co-operation between all the members of the League. Turkey saw that. Turkey has been powerful in the past because she played one country against another, and she would be powerful in future if she had the same privileges; but it is pretty hard to play against 55 different nations that must stick together in their decisions.

What has happened? Great Britain went to Turkey in a friendly spirit, willing to give and take. So there has been an agreement. They came to a conclusion, some little adjustments were made on the part of Iraq and the British Government, and the two countries have signed Treaties, and the whole question has been settled. Now, if there had been no League of Nations, that dispute would have had to be decided between Turkey and Great Britain, and nobody knows what would have happened, but probably war would ultimately have taken place.

Now, honourable gentlemen, I thank you very much for your kind attention, and I do not propose to keep you any longer.

Hon. J. P. B. CASGRAIN: Honourable gentlemen, the right honourable gentleman who has just spoken (Right Hon. Sir Geo. E. Foster) started by saying that many of us might not be as familiar as himself with the affairs of the League. I think that is quite correct. He has had the good fortune of being sent by this Government to the League, and one of the happiest events of his life took place there, as I understand, and he came back accompanied by a companion. The right honourable gentleman is also President of the Canadian League. So it is with a great deal of diffidence that I undertake, without preparation, to attempt an answer to some of the things that have been so well said. Everybody knows that for the last 40 years there has been no more eloquent speaker either in this place or in another place, or throughout the country, than the right honourable gentleman who has just taken his seat. He has made a life study of this question. Others, like myself, who have other occupations, are necessarily taken away from that study, and cannot devote so much time to it. Therefore I ask the indulgence of this House while I endeavour to express disagreement with some of the things the last speaker has said.

Starting from the very first, as I said the other day, I am afraid that the poor League is falling to pieces. We read only two days ago in the newspapers that the Right Hon. Austen Chamberlain, answering a question in the British House of Commons, actually admitted that Brazil had resigned from the League. Now, what is Brazil? The right honourable gentleman to-day compared Argentina with Brazil; but Argentina has only a population like that of Canada with very much the same productions. The beautiful river La Plata runs through that country, on one side of which is prairie and on the other side a wooded country. But Brazil contains at least a third of the population of the South American continent, some 25,000,000 people, which is more than twice the population of Argentina. Brazil has immense resources, and is the leading nation in South America. Without Brazil, what would all those little countries do? The right honourable gentleman talks of 55 nations in the League, but there are only 8 nations in the whole world that are worth counting. For example, how many white men are there in Nigeria, which belongs to the League?

Right Hon. Sir GEORGE E. FOSTER: No, it does not: my honourable friend is quite ill-informed.

Hon. Mr. CASGRAIN: I am sorry; I was quite sincere when I said it was; I will look it up again; I have the book here. There are other little countries. I would ask my right honourable friend if Guatemala and Nicaragua belong to the League?

Right Hon. Sir GEORGE E. FOSTER: Yes.

Hon. Mr. CASGRAIN: Does Ecuador?

Right Hon. Sir GEORGE E. FOSTER: Ecuador does not.

Hon. Mr. CASGRAIN: What about all those little countries? In fact, there are more white people out of the League than there are in it. I have made that assertion in the House before, and I have given the names of the countries, so I am not going all over that story again.

Hon. Mr. DANDURAND: The honourable gentleman was counting Germany as outside the League, but Germany will be in the League in September.

Hon. Mr. CASGRAIN: Oh, do not be so sure; and it will be a sad day for the League itself when that happens. I would not like to see Germany in the League, for if it goes in it will only do so in order to carry on its policy of considering treaties as scraps of paper. When I hear of an arrangement with Germany in our generation I say, let the time pass, let another generation come. The right honourable gentleman spoke a moment ago about Germany coming in and giving a pledge.

But did not Germany give a pledge before—to guarantee the integrity of Belgium? And what became of that pledge? We were all alive at that time, and we know what became of that pledge. What guarantee have we to-day that Germany will not repeat that breach of faith? Let generations still unborn trust Germany, but not this generation, who had their own flesh and blood in that war. No, we will never trust Germany during our lifetime. Other people may do so, but we will not.

Right Hon. Sir GEORGE E. FOSTER: France seems to have done it.

Hon. Mr. CASGRAIN: Poor France: I am glad the right honourable gentleman is helping me on. France joined the League of Nations with one vote, and our Emipre has seven votes. It is possible to be naive, but not to that extent—to go and play cards with a man who can draw seven cards, while you can only draw one. The United States knew better than to do that. One of the reasons why it did not join the League was that the President of the United States, representing 115,000,000 white people, who can read and write, knew that his country would have only one vote, while King George of England would have seven votes, because of the votes that are given to the Overseas Dominions. I can speak freely about my loyalty to King George, because my people for generations have served the British Empire in the Army, the Navy and the Civil Service; but I do not wonder that the United States said: "Very well, we will join the League; we have 47 States; give us 47 votes, and we will join."

But there is on very important department of the League which the right honourable gentleman glosses over in all his speeches throughout the length and breadth of this land. He never talks about the Budget of the League, which is $4,000,000 a year, 40 per cent of which, or $1,600,000, is handed over to that notorious Socialist, Albert Thomas, who, representing France I suppose, has absolute control. Sir Eric Drummond, the general manager and official Secretary of the League, cannot interfere with that Budget, for that money is set apart. That sum has not been found sufficient; there has been a deficit from year to year on that; and yet Albert Thomas has been sending Socialistic propaganda throughout the world continually, and we in Canada are helping to pay the cost of that propaganda. I say that the best thing the League could do would be to prevent Socialists fomenting trouble throughout the world. Of course, Albert Thomas and other Socialists around him are very much in favour of the League, for very good reasons; they are drawing scandalous salaries, and if you look at the Budget of the League you will see the number of employees under the supervision of Mr. Albert Thomas. You will find that he has got as many as Sir Eric Drummond. I must say that there are many ladies employed there, too, and when the officials of the League visited the harems in Constantinople and other places—that was one of the occupations of the League, to see that the harems were closed down, or that they were made free and so on—I think they did not need to leave Geneva; they might have stayed right there, and left Constantinople alone.

Then it is interesting to see the amount of money that Mr. Albert Thomas receives for translation. I do not know how many translators there are; but if you look at the Budget you see that they have never yet been able to translate the words, "Frais de représentation." That means money given to have a good time—entertaining, having dinners, supper parties, theatre entertainments, and so on; that is "Frais de représentation." Why not be honest with the world, and find a translation for those words? But the English people are prudish, and they would never allow that there was so much money given away for such purposes. But I will say this for Albert Thomas: although he receives that money he does not spend it for "Frais de représentation." He knows that this thing is not going to last long, so he is just hoarding up the money. It is handed to him for the purposes of entertainment, but he takes good care of it, and he is wise, because his job is not permanent.

The right honourable gentleman spoke of Corfu. Well, if there was one thing that was injurious to the League, it was that Corfu matter. I think that should not be talked of by anybody who advocates the League. We all remember that some Italian engineers who were laying out the boundary in Albania, and so on, were shot down. Nobody could prove who shot them, or what happened, because no one was left to tell the story. However, the League of Nations naturally took action in this matter, and Mussolini who is a sort of second Napoleon the First, said: "Look here, if the League is going to interfere in my business I will withdraw from the League." The League collapsed at once and did not interfere. What happened? There was a Council of Ambassadors sitting at Paris, and the League said: "For goodness sake, settle this for us. This man Mussolini is a terrible fellow, and, whatever you do, agree with Mussolini, or it is all up with us as far as

Italy is concerned." What was the result? A disgraceful award. Here were Italy with its thirty millions of people—a powerful nation—and Greece, a poor, little nation. Every humiliating condition was imposed upon Greece. So humiliating were the terms that they shamed Mussolini—he was ashamed to take the money. It was even declared that there must be celebrated in Athens a solemn Mass—a Catholic Mass, mind you—which those Greeks, non-Catholics, should be compelled to attend. And they did attend. For what purpose was that condition imposed? Just to humiliate the Greeks. They were required to salute the flag of Italy. Every humiliating condition was imposed upon Greece, and then that little country was condemned to pay a large sum of money. Well, when Mussolini heard of this large sum of money he did not know what to do. I have read three lives of Mussolini, and, you know, he seems to be a pretty decent sort of fellow. He said: "I cannot take this money from poor Greece; the Greeks cannot afford to pay that much. Still they have been ordered to pay it. I cannot tell them I will give them their money back: that would be still more humiliating, after all this humiliation. I will tell you what I will do." He resurrected the Order of the Knights of Malta, which had not been active for many years. He found out who was the Grand Prior, and he went to him and said: "Look here! When the fleet went to Corfu, our guns did a great deal of damage, killed some innocent people, and so on. You are the head of the Order of the Knights of Malta. We will give you this money. Go over to Corfu and distribute it there, so that it may not be said that we have taken this money—this ill-gotten gain." For it is nothing else. The aggressors who fired upon those poor surveyors that were killed were guilty of plain murder, such as occurs in the streets of Chicago every other day. The right honourable gentleman a few minutes ago said that the aggressor was always punished. It was the aggressor that was rewarded—so rewarded that he was ashamed to take the money and gave it back, through the Knights of Malta.

Now for the Protocol—that dear old Protocol. I attended the wake of the Protocol, and enjoyed it immensely. And who strangled the poor Protocol? Who killed Cock Robin? Why, it was Sir Austen Chamberlain who killed it. When it was drafted it was supposed to be a panacea. With the Protocol peace was to be restored throughout the world. My honourable leader here (Hon. Mr. Dandurand) said: "The Protocol did not pass, but, never mind, it will be adopted next time." We all heard him say that. He said: "The Protocol is all right: it is a grand thing." The purpose of the Protocol was simply to put teeth into Article X; that is to say, it was to carry out the original intention of the League. Those nations were to club together and go to war against the minority, and of course, having the greater strength, they would win out. The League met. Who was the first man against the Protocol? It was the Right Hon. Sir Austen Chamberlain; and he was right. The Protocol was stopped at his instance. It has disappeared, like many other things from which a great deal had been expected. After a while we shall have a list of all the schemes that were adopted with pious invocations and declared to be the greatest things on earth in the interest of world peace. Nothing has come of them.

Then there is the Locarno Pact. That is not a League accomplishment. The Locarno Pact was made outside the League. What was the matter with the League? Where was it when the Pact was made? The League acted in the Locarno affair like the monkey-wrench that is thrown into the machinery. That is what the League did. What was done at Locarno was all right except that they trusted Germany, as I would not have done if I had been there. Outside of that there was just one thing wrong about Locarno: it was to drag the League into the affair. If they had let the League alone and gone on without it, there would have been no trouble, and the Locarno Pact would now be in force. My honourable friend to my right (Hon. Mr. Béland) tells me that the Locarno agreement is not in force yet. What is retarding the putting into effect of that agreement? It is the League of Nations, with those seven great Powers, that stands in the way. Instead of being a peacemaker it is a trouble-maker—it is a war-maker. If the Locarno Pact is not in force it is because the League will not let it come into force.

My right honourable friend (Right Hon. Sir George E. Foster) talks about Brazil. A veto by one nation was quite sufficient, but who prompted Brazil? There may have been others on the Council who were not in favour of the proposal, but as one was quite enough why should they compromise themselves? Why show their hand? Brazil was not opposed to Germany's entering, but wanted a seat in the Council. At the same time Poland wanted to come in, and so did Spain. Then the quarrel began.

The Locarno agreement, I repeat, would have been all right if the League had not been drawn into it. The action of the League is like the interference of President Wilson, who was a visionary. It was my privilege to know him. He was a great scholar, a great man in his way, but he was not a practical man. It was he who advised the establishment of this League of Nations, and when the Treaty of Peace was being drawn up the delegates left various questions to the League, saying: "The League of Nations will settle those. That will be easy." If it had been a plain, common, every-day treaty, the world would not be in the position in which it finds itself to-day. The trouble is that differences were left to the League for settlement. People talk about the League making peace. The League is now seven years old, and yet there are more men under arms to-day—and I defy contradiction—than there were before the Great War. So the League has not been conducive to peace. If the League were able to prevent warfare and settle all disputes, you would think the League might interfere in Morocco, or in Spain, or in Syria, and lend its good offices in restoring peace; but it has not done so at all.

I referred a few minutes ago to M. Albert Thomas, that great Socialist. He was expected to settle labour troubles. What better opportunity could he have had than that which presented itself a few weeks ago? Was there ever a greater strike than the recent general strike in England, lasting two or three weeks? That was the time for M. Albert Thomas to apply his great theories; and there is still time. His department is costing the League annually $1,600,000, and this country's share in that expense is between $60,000 and $70,000 a year.

Canada has spent in that League $1,500,000. That is a large sum of money, and, especially since the war, we have need of all our money. I would like to know what we have got out of the expenditure of that enormous sum. I will say this—and I say it in all seriousness—there is no doubt that the election of the honourable leader of this House as President of the Assembly of the League of Nations has been a great thing for Canada, and I congratulate the honourable gentleman upon his election and congratulate this House upon having a man worthy to be President of the League of Nations. And he did his work well, I am glad to say. But outside of that we have had no advantage, and a million and a half for that is "going some."

We hear about the League settling different wars. The old diplomacy used to settle wars too, and the old diplomacy is going on just the same as ever. I read an article written, I think, by M. Raymond Poincaré some years ago, but since the League was founded, on the subject of the old diplomacy, in which the writer said: "If the League of Nations is to be the tribunal for the settlement of difficulties between nations, then the old diplomacy has had its day. There will be no more of it, because it would be only duplicating." If the League is going to decide upon the relations between countries, what is the good of keeping up those expensive embassies? What will be the use, for instance, in Canada sending an Ambassador to Washington if the League is going to do all the work? But no, the old diplomacy keeps on, and if I did not wish to take as little as possible of the time of the House I could quote many instances of League interference in cases which, as explained very fully by Stephen Lauzanne, I think, could just as well have been settled by any ordinary court. For instance, the Supreme Court of the United States could very well have settled the boundaries between Poland and Silesia, in Germany. Both parties being equal, it is very easy to make a settlement of any dispute.

The right honourable gentleman has dealt at length with all the things that the United States are commencing to do, showing that they are not going to be quite so antagonistic to the League. He stated that at first the United States would not answer the letters of he League, but that afterwards—after a few years—they began to answer the letters, and now they were becoming more and more friendly, and so on. I think my right honourable friend will have the good sense to recognize that the position of a great, exalted institution like the League was a most humiliating one when its letters remained unanswered and it had to write more letters and keep on bowing and scraping before the United States of America, mighty and wealthy as they may be. I think that the less said about such a humiliating situation the better.

Then the United States said they were willing to join the Court of International Justice. Well, there is nothing in that. There was an international court at The Hague, and the present international court is only another one. It is all very fine, but the rendering of a decision by an international court is just like the putting of a plaster on a wooden leg, because the international court has no sheriff to execute its judgments. It may say, "We have decided this way," or "We have decided that way," but if a recalcitrant litigant says, "I do not accept that decision," that is the end of the matter. He cannot be com-

pelled to accept it. The League of Nations has no sheriff to send. If the Protocol had prevailed, the League would have had a sheriff. It could have ordered the mighty British Navy to go anywhere to enforce the rulings. But the English taxpayers, with their good sense, say: "We are paying for that navy. We will send it, not when the League of Nations so orders, but when we think we should. It is our navy and we are going to use it for our own purposes, and it will not be at the beck and call of France, or Italy or any other nation. We will use it when we like." And that is what killed cock robin—the Protocol.

The right honourable gentleman finished his address with a reference to the fighting between Bulgaria and Greece. He said there was not a second shot fired. Of course not: they did not have it. They had neither money nor shot, and had no credit, either of them. The right honourable gentleman talks of the League making peace between those nations. Greece protested that she never intended to make war. What happened? A few Greek soldiers invaded a part of Bulgaria. I do not believe there were more than five or six persons killed in the whole affray. There were only a small number engaged in it, and it was just a little row. And how can people fight without the means? The great Napoleon said that in order to make war you must have three things: the first is money, the second is money, and the third is money. Well, neither of those nations had any money with which to fight, and they had no credit with which to buy ammunition. There could not have been a war even if they wanted to make war. In the first place, they would have needed some powder and shot, and that ammunition they could not get on credit, because their credit was long ago exhausted. Now let us consider the question of disarmament. This will be, I think, the last. The League have just finished a discussion at Geneva. Here is something on the subject:

Warlike Geneva

Another "crisis" has been reached in European affairs, and once more it has been caused by the League of Nations.

This time Spain has broken out, announcing that if she is not granted a permanent seat in the Council of the League of Nations, then she will join Brazil in a fight against the admittance of Germany to the League, and may go so far as to resign from that organization.

The diplomats at Geneva feel that once more they are on the edge of a volcano, and secret negotiations are rampant over this purely artificial crisis caused by a superfluous League.

We have said again and again that the League of Nations does more to stir up bad feeling than to promote peace. Events prove it. The League is a hotbed of intrigue, with rival diplomats, lining up rival camps of delegates and secretely outbidding each other for the votes or support of members who will jump either way—for a consideration.

Hon. L. C. WEBSTER: May I ask the honourable member from what he is quoting?

Hon. Mr. CASGRAIN (reading):

Were it not for the League of Nations, the Locarno Treaty would now be an accomplished fact. This Treaty which was hailed as the greatest advance in history in the promotion of the peace of the world, unfortunately had a clause recognizing the League of Nations, and that clause has wrecked it. Under the Treaty of Locarno, France, Germany and England had found a way by which they could live together in peace and work out their problems in a spirit of true neighborliness. Had there been no League of Nations, all would have been well. But as there is such a League, Germany asked for, and was promised, membership in it. Immediately the agreement was transferred from peaceful Locarno to warlike Geneva, all the old hideous plots and jealousies reared their heads, and Brazil, of all the nations in the world, became the catspaw whereby Locarno was thrown into the discard.

Meanwhile all sorts of off-shoots of the League are functioning in its name and fattening off its revenue. There is the International Labor Bureau, for instance, which, under that well known French Socialistic agitator, Albert Thomas is spending a goodly share of the League's funds in promoting Socialism. Yesterday's papers brought another side-line into the lime-light, a telegram from Geneva stating that Sir Austen Chamberlain had told some committee or other of the League to keep its meddlesome fingers out of other people's business. The committee, it seems, had come to the conclusion that all future town improvement schemes throughout this terrestrial globe must include swimming baths.

That is one of the decisions of the Labour Bureau.

Evidently Sir Austen thinks trouble will be generated fast enough by the mere existence of the League without going out in active search of it.

Hon. Mr. BELCOURT: What paper is that? Is that the Montreal Herald?

Hon. Mr. CASGRAIN: That is the Montreal Herald.

Some Hon. SENATORS: Oh, oh.

Right Hon. Sir GEORGE E. FOSTER: That is an advance edition of the speech.

Hon. Mr. CASGRAIN: I wrote the article, and as I thought perhaps it might not be read generally, I decided to give you the benefit of hearing it. It is not for sale; it is always sold out before it reaches Ottawa.

Now, honourable gentlemen, I thank you very much indeed for having listened so patiently to this impromptu and disconnected discourse. This is not the first time I have spoken of the League. I say in all sincerity that I believe the people forming the League are sincere; but they are all idealists. Take Lord Robert Cecil, for instance; he is an

idealist. There are idealists all over the world. and I admire them. I admire the right honourable gentleman (Right Hon. Sir George E. Foster): he is an idealist: he believes in this. I myself believed in it at first, and when I was preparing my first speech in this House I went to the late Sir Wilfrid Laurier about it. I thought he would be delighted with the idea that there would be no more war; but what did he say? He said: "Oh, it is a dream, a beautiful dream; but remember that as long as there are men on earth there will be war on earth."

Hon. J. S. McLENNAN: Honourable gentlemen, after listening to the remarks of an honourable gentleman with the power of Hercules and the subtlety of Mephistopheles. I would have been much more depressed by the catalogue of incidents which he gave if I had not remembered the difficulties encountered by every enterprise, every scheme, every nation—difficulties which have been overcome and through which those nations and enterprises have survived.

Not having prepared myself beyond looking up one or two dates, I ask the indulgence of the House while I lay my views before it. Take, for example, the conditions in England twenty odd years after the revolution of 1688, when there were in succession two kings, both alien in race, and neither of whom could speak English, and when there was a very strong minority of Jacobites in the country. There was armed rebellion in 1715 and again in 1745. At one time Prince Charlie and his forces reached Derby, within two days march of London, where they were turned back, and from where to-day a Big Bertha could almost shell the metropolis. For almost four score years there was dissatisfaction and lack of sympathy with the reigning dynasty of the time, and a strong feeling for the other side. The strongest nations of Europe were backing the Stuarts, and it seemed as though nothing could save the nation but the restoration of the former monarchy.

Take again the time when Pitt, the great antagonist of Napoleon, worn out with his efforts, was near to death, and the news of Austerlitz came in. He said: "Roll up the map of Europe." It seemed that there was no chance, that the end had come. Again, in the closing years of the reign of Louis XIV France was decimated by famine, and her armies were checked and defeated time and again, as shown by treaty after treaty from 1692 to 1713 when the Treaty of Utrecht was signed. The credit of France was so low that ships had to make their voyages only half outfitted because nobody would trust the State with goods or services because there was nobody to pay. Would not anybody at such a time have been justified in thinking that it was absolutely impossible that the French people possessed such an élan vital that they would survive, and that within a century would be able to withstand the strain of the Napoleonic wars? And after that again, who would have thought that France could live and go through all that she has gone through in the years of this century with which we are so familiar?

Then again, take the United States after the war with England, which ended in 1782. It took five years to hammer out a constitution that was acceptable to the Convention. In 1787, five years after peace, the constitution was submitted to the various States, and its acceptance by the 13 colonies was more than doubtful, particularly in the more important States, namely, Pennsylvania, Virginia, Massachusetts and New York. There was some question as to whether the Assembly of Pennsylvania would even permit the question to be submitted, and the difficulties there were only overcome in the following manner.

The question was then put and carried by 43 votes against 19, and the House adjourned till 4 o'clock. Before going to their dinners the 19 held an indignation meeting, at which it was decided that they would foil these outrageous proceedings by staying away. It took 47 to make a quorum, and without these malcontents the Assembly numbered but 45. When the House was called to order after dinner, it was found there were but 45 members present. The Sergeant-at-Arms was sent to summon the delinquents, but they defied him, and so it became necessary to adjourn until next morning. It was now the turn of the Federalists to uncork the vials of wrath. The affair was discussed in the taverns till after midnight, the nineteen were abused without stint, and soon after breakfast next morning, two of them were visited by a crowd of men who broke into their lodgings and dragged them off to the State House, where they were forcibly held down in their seats, growling and muttering curses. This made a quorum, and a state convention was immediately appointed for the 20th of November.

Compared with the difficulties of ratifying the new constitution in the State of Pennsylvania, it seems to me that any difficulties that the League of Nations may have encountered are very trifling and infinitesimal.

Virginia, one of the greatest States of the Union, a State which has produced perhaps more presidents and statesmen than any other for over three weeks, debated the question of whether it would accept the constitution, and the motion for its acceptance was carried by 89 votes to 79, a majority of only ten. Massachusetts, one of the most important of the States, where Paul Revere made his famous ride, the State in which the populace threw the tea into the harbour and where the battle

of Bunker Hill was fought, carried the constitution by a vote of 187 to 169. New York, even then giving promise of what it was later to be, the greatest State of the Union in population and wealth and influence, carried the acceptance of the constitution by a vote of 30 to 27. Fiske, the historian to whom I have just referred, says:

> But for Alexander Hamilton the decision of New York would unquestionably have been adverse to accepting the constitution.

Although this process of adoption began in 1787, it was not until 1790 that Rhode Island, the last of the States, finally accepted the constitution and completed the circle of 13, without any one of which there would have been no United States to-day.

Instance after instance could be given to show that nation after nation has passed through the most critical situations, has come out victorious. I see no reason why the same should not be true of the League of Nations. When I hear eloquent, forceful and discouraging things said by the smiling gentleman across the floor (Hon. Mr. Casgrain) I always look back to what has happened in the past and gain encouragement. Looking at the events of the time in which we live is like looking at the surface of the sea: sometimes it is fretful and disturbed; at other times it is calm. It is not the superficial aspect that makes for the peril or otherwise of navigation, it is the deep undercurrents which are running out of sight. It seems to me that the success of the League of Nations depends on whether the undercurrent of affairs is a real vital desire of the nations for peace. In that case the League will be successful. If, on the other hand, the desire for peace simply comes from war weariness such as followed the Napoleonic wars, then our League, which God forbid, will have the fate of that devised a century ago by Metternich and his associates.

Hon. RAOUL DANDURAND: Honourable gentlemen, already this Session I have had occasion to speak of the events that took place in Geneva in March last, and to refer to the Locarno Treaty, so I do not intend to cover that ground again. I simply want to tell my honourable friend from De Lanaudière (Hon. Mr. Casgrain) that the League—it may not be in his time—will demonstrate its permanency. It is to-day in a state of experimentation. This organization has been founded by some of the best brains of our generation. It has been founded in order to bring the nations together. Before 1914 they were all working separately, and we know what happened in that year. My honourable friend seemed at one time to have the same hopes as many others who saw what was taking place at Versailles when the Treaty was signed; but of a sudden he met a friend who told him there would always be war on this earth, and from that time on he lost all his enthusiasm.

The Treaty of Versailles was signed in 1919. We are now in the year 1926. I realize that we were all disappointed by the United States withdrawing from the League, because the United States would have been a splendid disinterested umpire in any dispute which might arise between European states. Nevertheless, even without the United States, Europe can still save itself, and I think the Locarno Treaty has paved the way for that salvation.

The great danger of the morrow is another clash between Germany and France. As the right honourable gentleman (Right Hon. Sir George E. Foster) has explained, Treaties have been signed at Locarno by which Great Britain will stand with Italy as umpire between Germany and France, and I am convinced that their position will be a deterrent to any ambition on the part of either of those states against the other.

Undoubtedly some time will elapse before disarmament to any degree is attained. We have just come out of a formidable upheaval. But I see the day when the United States will join the League of Nations, even though that League may have to alter, to a certain extent, its constitution. Just visualize what that would mean, honourable gentlemen—a world association in which the United States would play a role. I am convinced that no first-class Power would plot or engineer an assault upon another nation when it would consider the risk it would run of having every other great Power opposed to it, including the United States.

To-day we have the nations of Europe prepared to meet in Geneva in September to confer over the difficulties of the day. We have a Council composed of 10 delegates from various parts of the world, including four of the great nations of the world, and to-morrow a fifth, Germany. My honourable friend says that Germany had better be left out of the League. That is not the opinion of the European countries which are the most interested. They feel that they would rather have close contact with Germany than see her outside attending to her own affairs and governing herself without having any conference with the outside world. I believe that Europe is right in thinking that Germany will come to accept the idea of peaceful settlement for all its ills, by working inside the League rather than outside.

I would ask my honourable friend to my left (Hon. Mr. Casgrain) if he has thought of some constructive idea which would replace the League of Nations. He seems to think that the old way of settling matters between representatives of various countries through ambassadors is a satisfactory one. But it has not proved to be a success in the past. He speaks of the high cost to the various countries of the world, and to Canada, which is entailed in maintaining the League of Nations. Well, I ask him how much a man-of-war costs. The League does not cost $5,000,000 annually. Could he have a man-of-war for that figure? It seems to me that we are paying very little in the effort to bring the nations together to discuss their differences amicably, and try to settle them peacefully.

I have attended some of the meetings of the League, and I have seen good-will all around, and I am convinced that there is a desire to work towards the furtherance of peace. I can only hope that my honourable friend will live long enough to see the beneficial results that will come during the next decade from the constant contact between the various nations of the world.

I have no objection to the motion made by my right honourable friend, but I would suggest that he modify it in the terms of the remarks he has made. His motion is:

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

All correspondence between Dr. W. J. Riddell, Liaison officer of the Government at Geneva and the Department of Foreign Affairs, with respect of the League of Nations and its relations to the Government of Canada.

I suggest that he should amend it to cover only such correspondence between Dr. W. J. Riddell and the Department as can reasonably be made public.

Right Hon. Sir GEORGE E. FOSTER: Really, that is always understood in a motion of that kind. The Government has the authority and the right to keep back whatever, in the public interest, it does not want to bring down.

The motion was agreed to.

DIVORCE BILLS

SECOND READING

Bill A7, An Act for the relief of Cecil Chester Richardson.—Hon. Mr. Schaffner.

SECOND AND THIRD READINGS

Bill B7, An Act for the relief of Vina Kennedy, otherwise known as Vina Dorothy Kennedy.—Hon. Mr. Schaffner.

Bill C7, An Act for the relief of Sadie Joy Downey.—Hon. Mr. Schaffner.

Bill D7, An Act for the relief of Aimée Glenholme Young.—Hon. Mr. Willoughby.

Bill E7, An Act for the relief of Alberta Lutz.—Hon. Mr. Haydon.

Bill F7, An Act for the relief of George Frederick Adams.—Hon. Mr. Haydon.

Bill G7, An Act for the relief of Edward Saville.—Hon. Mr. Haydon.

THIRD READINGS

Bill Y6, An Act for the relief of Edward Barker.—Hon. Mr. White (Pembroke).

Bill Z6, An Act for the relief of Joan Henderson.—Hon. Mr. McMeans.

HANDFIELD DIVORCE PETITION

REPORT OF COMMITTEE REFERRED BACK

On the Order:

Consideration of the one hundred and sixty-seventh report of the Standing Committe on Divorce, to whom was referred the petition of Joseph Azarie Handfield, together with the evidence taken before the said Committee.—Hon. Mr. Willoughby.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, it will be within the recollection of those now in the House that at the instance of the honourable member for De Salaberry (Hon. Mr. Béique) the Committee on Divorce arranged to meet this morning. That honourable gentleman made a statement in connection with the matter, and the petitioner was represented by his counsel. The Committee decided to hear further evidence tomorrow morning at 10 o'clock. What will be the result of that I know not. The honourable gentleman was good enough to undertake, on account of the lateness of the Session, that if the Bill be again reported favourably he would see that there would be no delay in putting it through this Chamber—because that was one of the serious objections urged by the applicant.

I move that this Order be discharged and placed on the Order Paper for to-morrow.

Hon. Mr. BEIQUE: No; that the report be referred back for further consideration.

Hon. Mr. LEWIS: Might I ask the Chairman of the Committee if he can inform us of the general nature of the evidence to be produced to-morrow? Does it amount to a denial of the offence, or is it merely evidence of condonation, or reconciliation between the parties, that is, that the parties lived together afterwards? The reason I ask is that the mover of the amendment yesterday laid very great stress upon the fairness or justness of vindicating the good name of the respondent.

Obviously that will not be done unless the evidence is of such a character as to amount to a denial of the offence, and not merely to a condonation of the offence.

Hon. Mr. WILLOUGHBY: I think the main stress laid by the honourable gentleman was on the fact that there was condonation, cohabitation, and living together again after the commission of the offences charged in the Petition. I think it was indicated, but not dilated on, that perhaps there might be some evidence as to the respondent not being guilty of the offences charged. However, the other was sufficient for our purpose, and if there was absolute condonation, of course that is an answer to a Petition for Divorce.

Hon. Mr. BEIQUE: I may say that I appeared before the Committee this morning in the capacity of a member of this House, on very short notice, without warning, and, without having time to prepare, I had to undertake to outline the evidence. I will not have time to prepare fully the evidence that I am satisfied can be adduced, but I hope that the evidence that will be given to-morrow will further enlighten this honourable House.

On motion of Hon. Mr. Willoughby, the report was referred back to the Standing Committee on Divorce for further consideration and report.

DIVORCE BILL

FIRST, SECOND AND THIRD READINGS

Bill V7, an Act for the relief of Leslie Ellis Noble.—Hon. Mr. Lewis.

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

THE SENATE

Thursday, June 24, 1926.

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

Prayers and routine proceedings.

DIVORCE BILLS

THIRD READING

Bill A7, an Act for the relief of Cecil Chester Richardson.—Hon. Mr. Schaffner.

SECOND READINGS

Bill H7, an Act for the relief of Manford York.—Hon. Mr. Haydon.

Bill I7, an Act for the relief of Robert Fisher.—Hon. Mr. Haydon.

Bill J7, an Act for the relief of James Alfred McCabe.—Hon. Mr. Haydon.

Bill K7, an Act for the relief of Dorothy Terry.—Hon. Mr. Haydon.

Bill L7, an Act for the relief of Lillie May Brown Nichols.—Hon. Mr. Haydon.

Bill M7, an Act for the relief of Hazel Pearle Clarke Pearcy.—Hon. Mr. Haydon.

Bill N7, an Act for the relief of Edith Swartz.—Hon. Mr. Haydon.

Bill O7, an Act for the relief of James Gibb Erskine.—Hon. Mr. Haydon.

Bill P7, an Act for the relief of Ernest Johnson.—Hon. Mr. Schaffner.

Bill Q7, an Act for the relief of May Elizabeth Chambers.—Hon. Mr. Schaffner.

Bill R7, an Act for the relief of Maxime Demers.—Hon. Mr. Schaffner.

Bill S7, an Act for the relief of James Edward Barnaby.—Hon. Mr. Willoughby.

FARM LOAN BILL

COMMITTEE'S REPORT AMENDED AND CONCURRED IN

Hon. G. G. FOSTER moved concurrence in the amendments made by the Standing Committee on Banking and Commerce to Bill 148, an Act for the purpose of establishing in Canada a system of Long Term Mortgage Credits for Farmers.

He said: Honourable gentlemen, I would submit to the honourable leader of this House that, owing to the many changes that have been made in this Bill, it will be difficult for honourable members to understand the nature of those changes. It is true that in the report of yesterday's proceedings they are to a certain extent outlined, but it occurs to me that, especially as the honourable member for De Salaberry (Hon. Mr. Béique), as I understand, intends making an amendment in addition to those proposed by the Committee, it might be well for us to have the Bill reprinted with all the amendments, before we take it up for further consideration. On the other hand, if the House desires to proceed with the Bill printed as it is, I am quite prepared to give such explanations as I can with regard to each item as it comes up.

Hon. Mr. DANDURAND: I would suggest to my honourable friend that, as the Committee has reached a unanimous conclusion, he might explain the two main amendments. Then the honourable gentleman from De Salaberry, at the request of Mr. Finlayson, will move an amendment, which is but a consequential one, and we may adopt the report this afternoon. As days are passing and we are nearing what I believe to be prorogation—I fix no date—I think we had better proceed now.

Hon. W. B. ROSS: We could consider the amendments now, and the Bill might then be reprinted with those amendments before we took the third reading.

Hon. Mr. DANDURAND: We might postpone third reading until to-morrow and have the whole Bill reprinted in the meantime. That reprint would include the short amendment which will be moved by the honourable member from De Salaberry.

Hon. Mr. BEIQUE: If the honourable member from Alma (Hon. G. G. Foster) will move the adoption of the report, I will move this amendment.

Hon. G. G. FOSTER: Shall I give the explanation with regard to the different items, or shall I postpone that?

Hon. W. B. ROSS: There has not yet been an expression of opinion on the principle of the Bill. That was reserved at the time the Bill was sent to Committee. We might discuss that on the third reading.

Hon. G. G. FOSTER: I move concurrence in the Committee's report.

Hon. Mr. BEIQUE: Honourable gentlemen, at the suggestion of Mr. Finlayson—

The Hon. the SPEAKER: Is the honourable gentleman going to move an amendment?

Hon. Mr. BEIQUE: Yes, I intend moving an amendment, in order that the Bill may be printed with the Committee's amendments and the amendment which I now propose.

The Hon. the SPEAKER: Do honourable gentlemen understand that the reprinting of a Bill of this kind, which comes up from the House of Commons, is done only for the information of the Senate?

Hon. Mr. DANDURAND: Yes, that is understood. Naturally that is what is meant.

Hon. Mr. BEIQUE: I desire to move:

That the report be not now concurred in, but be amended in the following manner:

That subsection (2) of section 13B be made to read as follows:

(2) the word "shareholders" in this section shall mean the holders of shares of the Board subscribed by the provinces respectively, by the borrowers in such provinces, and by the Government of Canada, as provided in subsection two of section five of this Act.

Hon. Mr. DANDURAND: Give us the explanation.

Hon. Mr. BEIQUE: Mr. Finlayson has given this explanation:

This change is desirable because the wording of the section as adopted by the Committee does not exactly describe the basis of subscription of the borrowers to the capital stock of the Board.

That is to say, another amendment necessitates this small change in the wording of this subsection. So far as I am concerned, I entirely approve of what Mr. Finlayson suggests.

Hon. Mr. DANDURAND: We can accept this amendment, subject to further discussion on the third reading; but I think that when the Bill is reprinted it will be seen that the amendment is one which ought to be adopted.

Hon. W. B. ROSS: On the third reading the Bill will of course be taken up section by section?

Hon. Mr. BELAND: No. We can take a Bill up section by section only in Committee of the Whole.

Hon. Mr. DANDURAND: But any motion may be made on the third reading to amend or modify or drop any clause. There is no question about that.

Hon. G. G. FOSTER: But does my honourable friend mean we are not going to submit to this Chamber the amendments that we have made until the Bill is reprinted?

Hon. Mr. DANDURAND: If the Committee's report is concurred in, the Bill will stand for third reading to-morrow. On the third reading any honourable member may move an amendment to any part of the Bill.

Hon. G. G. FOSTER: But surely we are not going to submit the Bill to this Chamber without some explanation being made to honourable members who were not on the Committee, regarding the changes we have made, some of which are very important.

Hon. Mr. DANDURAND: No, but that can well be done on the third reading, when every honourable member will have before him the Bill as it comes from Committee.

Hon. G. G. FOSTER: That is what I desired.

Hon. Mr. TANNER: Is it not necessary to give notice of an amendment to be moved on the third reading?

Hon. Mr. DANDURAND: Not on a public Bill.

The amendment of Hon. Mr. Béique was agreed to.

Hon. G. G. FOSTER moved concurrence in the report as amended.

Hon. Mr. WILLOUGHBY: I presume that when the third reading is moved we shall be able to discuss the principle of the Bill.

Hon. Mr. DANDURAND: Yes.

The motion was agreed to.

Hon. Mr. DANDURAND: I desire to move that this Bill, as amended, be put down for third reading to-morrow, and I would ask the Clerk to see that the Bill be printed.

Hon. Mr. POPE: I do not think that to-morrow is the proper day. A great many members of this House go away to-morrow afternoon. We will not have the Bill printed until to-morrow, and those who, like myself, are deeply interested in it, want an opportunity of studying it. I would much prefer Monday.

Hon. Mr. DANDURAND: Would not my honourable friend compromise with me by saying Saturday?

Hon. Mr. POPE: We are not going to sit on Saturday, so I would not say Saturday.

Hon. Mr. DANDURAND: I would rather say at the next sitting. If the Senate is not ready to take up the Bill to-morrow it will either go over until Saturday, if we sit on Saturday, or Monday. It is not probable that we will sit on Saturday, but I will know by to-morrow noon.

Hon. Mr. POPE: I quite understand the position of the honourable leader of the Government, and I know my own position. We will not sit on Saturday; that may be information for my honourable friend.

Hon. Mr. DANDURAND: I would not scandalize my honourable friend by suggesting that we would sit on Sunday.

The motion was agreed to.

CRIMINAL CODE BILL

OPINION OF MINISTER OF JUSTICE SUGGESTED

On the motion for adjournment of the Senate:

Hon. Mr. McMEANS: In connection with the Criminal Code Amendment Bill, in regard to which there was a division taken on the amendment as to giving the Crown the right of appeal, it was stated by the honourable leader of the Government, in the course of debate, that the Crown had that right prior to the amendment allowing appeals in criminal cases. I have very grave doubts about that, and I was going to ask the honourable leader if, when the Bill comes up on Monday, he would be good enough to furnish the House with an opinion from the Minister of Justice stating under what section the Crown had the right to appeal before the amendment allowing criminal appeals.

Hon. Mr. DANDURAND: I will do that, and at the same time submit the amendments which the honourable gentleman suggested as coming from the honourable member from Hamilton (Hon. Mr. Lynch-Staunton).

Hon. Mr. McMEANS: Has the honourable gentleman got them?

Hon. Mr. DANDURAND: I think I had them, but after the adjournment I may see my honourable friend about them.

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

THE SENATE

Friday, June 25, 1926.

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

Prayers and routine proceedings.

ACCOUNTS OF COLONEL ROBERT INNES

MOTION FOR RETURN

Hon. Mr. PROWSE moved:

That an order do issue for a copy of all accounts submitted to the Government by Colonel Robert Innes, in connection with his visit to India, together with a copy of all telegrams, correspondence and other documents in connection with the same.

The motion was agreed to.

HOME BANK CREDITORS' RELIEF

On the Orders of the Day:

Hon. Mr. DANDURAND: I had promised some information to my honourable friend from Grenville (Hon. Mr. Reid), and I have received the following from the Finance Department:

In the Senate on June 22nd, Hon. Mr. Reid referred to the return made at the commencement of the Session, under section 10 of the Home Bank Creditor's Relief Act. This was made as an interim return based upon statements received to that date from the Liquidators through whom, under the Act, the relief payments are made.

Claims of not more than $500 are paid without investigation by the Commissioner and the paying banks have been making monthly statements to the Liquidators, who, in turn, after verification, have submitted the same and vouchers to the Department of Finance each month. With reference to claims of over $500, which are paid direct by the Liquidators from time to time after being approved by the Commissioner, the Liquidators have, for reasons of convenience, not yet turned over to the Department any of the data, vouchers, etc., relating to payments to claimants in this class.

It is the purpose of the Department, as soon as the required data has been received from the Liquidators and verified, to compile the return required by the Act for submission to Parliament.

Hon. Mr. REID: Let me say to the honourable leader of the Government that I do not understand that statement which he has just read. At the end of each month the liquidators make a return of the amounts that have been paid. Now, we have had the returns only up to November 30th—

Hon. Mr. DANDURAND: No. I desire to draw my honourable friend's attention to the fact that those monthly returns bear on payments made automatically, so to speak, of claims below $500, and that in the second class, comprising those claims that are above $500, no further statement has come from the liquidators. As soon as a satement is submitted it will be reported to the House.

With reference to claims of over $500—

I read again—

—which are paid direct by the liquidators from time to time after being approved by the Commissioner, the liquidators have, for reasons of convenience, not yet turned over to the Department any of the data, vouchers, etc., relating to payments to claimants in this class.

I may say that I had a conversation with the official of the Finance Department who is handling this matter, and the expression "for reasons of convenience" has been explained to my entire satisfaction. I can impart the explanation to my honourable friend.

Hon. Mr. REID: Of course, there may be some reason, and perhaps the honourable leader will let me know it; but Parliament said that a statement of all payments made up to the opening of the Session must be laid on the Table. If the liquidators or the Commissioner had wished, they might have retained all the information and kept us in ignorance until the final claims are disposed of. Whether the liquidators like it or not, we are entitled under the Act to that information, and all payments, whether above or below $500, should have been reported to Parliament. Every honourable member of this House knows that the most important part of the report is that dealing with payments over $500; yet the liquidator, for his convenience—not for the convenience of the public, but for his own convenience—decides, "I will not give that."

Hon. Mr. DANDURAND: No; it is not for his own convenience. I think if my honourable friend will simply wait until I give him the reasons why there has been only a partial report, he will be convinced that, for reasons of public policy, what has been done was a good thing to do.

Hon. Mr. REID: If that is the case it is all right.

DIVORCE BILLS

THIRD READINGS

Bill H7, an Act for the relief of Manford York.—Hon. Mr. Haydon.

Bill I7, an Act for the relief of Robert Fisher.—Hon. Mr. Haydon.

Bill J7, an Act for the relief of James Alfred McCabe.—Hon. Mr. Haydon.

Bill K7, an Act for the relief of Dorothy Terry.—Hon. Mr. Haydon.

Bill L7, an Act for the relief of Lillie May Brown Nichols.—Hon. Mr. Haydon.

Bill M7, an Act for the relief of Hazel Pearle Clarke Pearcy.—Hon. Mr. Haydon.

Bill N7, an Act for the relief of Edith Swartz.—Hon. Mr. Haydon.

Bill O7, an Act for the relief of James Gibb Erskine.—Hon. Mr. Haydon.

Bill P7, an Act for the relief of Ernest Johnson.—Hon. Mr. Schaffner.

Bill Q7, an Act for the relief of May Elizabeth Chambers.—Hon. Mr. Schaffner.

Bill R7, an Act for the relief of Maxime Demers.—Hon. Mr. Schaffner.

Bill S7, an Act for the relief of James Edward Barnaby.—Hon. Mr. Willoughby.

FARM LOAN BILL

THIRD READING POSTPONED

On the Order:

Third Reading Bill 148, an Act for the purpose of establishing in Canada a system of Long Term Mortgage Credit for Farmers. —Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: I am ready to proceed with the third reading of this Bill. I understand that some honourable gentlemen have expressed a desire to discuss the principle of the Bill or some of the important clauses contained in it.

Hon. W. B. ROSS: I think we would not lose anything if it went over until Monday afternoon.

Hon. Mr. BEIQUE: I have a few remarks to make, but I think we should try to send the Bill to the House of Commons as soon as possible.

Hon. W. B. ROSS: I think it is the wish of a great majority of the members on this side of the House that it should go over until Monday afternoon. The Bill could go to the House of Commons the same evening.

Hon. Mr. DANDURAND: Then I will move that this order be discharged and be made the first Order of the Day for Monday next.

The motion was agreed to.

HANDFIELD DIVORCE PETITION

REPORT OF COMMITTEE CONCURRED IN

Hon. Mr. WILLOUGHBY moved concurrence in the 167th report of the Standing Committee on Divorce, to whom was again referred the petition of Joseph Azarie Handfield, together with the evidence taken before the said Committee.

The motion was agreed to, on division.

FIRST READING OF BILL

Bill Y7, an Act for the relief of Joseph Azarie Handfield.—Hon. Mr. Laird.

Hon. Mr. LAIRD: Honourable gentlemen, I would move, with the leave of the Senate, that rules 23 (f), 24 (a), 24 (b) and 63, be suspended in so far as they relate to this Bill.

Hon. Mr. BEIQUE: It is not my intention to oppose this motion, but I had intended to make a short statement to the Senate in regard to it. I told the Chairman of the Divorce Committee that as far as I was concerned I would help to facilitate the Bill being sent to the House of Commons if the report of the Committee was adopted here. I have no objection to the Bill being sent on with the understanding that on Monday I will be allowed to make the short statement to which I have referred upon the Orders of the Day being called.

Hon. Mr. WILLOUGHBY: As I understand the honourable gentleman, the Bill is to be allowed to pass this House, and then he will make a statement which will go on record and which will accompany it to the other House.

Hon. Mr. BEIQUE: Yes.

Hon. Mr. WILLOUGHBY: I have no objection to that.

The motion of Hon. Mr. Laird was agreed to.

SECOND AND THIRD READINGS

On motion of Hon. Mr. Laird, the Bill was read the second and third times, and passed.

DELAY OF LEGISLATION

Hon. Mr. WILLOUGHBY: Before the Senate adjourns I desire to make a few remarks in reference to a matter that is not on the Order Paper. I refer to the Grain Bill, which stands over for the evidence of the Grain Commissioners. The honourable the Chairman of the Committee tells me that he has been in communication with the Commissioners, and that they are to be here, I think, to-day or to-morrow.

Hon. G. G. FOSTER: To-morrow.

Hon. Mr. WILLOUGHBY: Their coming means that further consideration of the Bill will be delayed until Monday. With all possible respect for anybody who desires to hear those Commissioners, may I say that I do not see how they can add to the record a tittle of evidence that will be of any service to us, for the reason that those who are opposing the Bill are citing the statements made by those Commissioners in the Agricultural Committee of the other House last year. I am not instructed that those gentlemen have changed their attitude; so everybody who is opposed to the Bill has the benefit of that. The only objection I have is that we are unduly delaying the Bill.

Hon. Mr. DANDURAND: The complaint of my honourable friend comes somewhat late, because the House has decided that when it adjourns it will stand adjourned until Monday afternoon.

I confess that I join with my honourable friend in regretting any apparent delay because there are ugly rumours in the newspapers as to dilatory tactics being adopted for political purposes and to the prejudice of certain legislation.

Hon. W. B. ROSS: I would agree entirely with the complaint if it were simply that we are delaying the Grain Bill; but there are new clauses in the Bill, including a very important one affecting Moose Jaw.

Hon. Mr. SCHAFFNER: I do not often complain in this House, but I would like to protest again that although we have been in session for nearly six months, two very important Bills cannot take their regular course. I do not altogether blame this House in this matter, but I do censure the Government. In my opinion, and I believe in the opinion of this House, both the Farm Loan Bill and the Grain Bill could have been dealt with two months ago just as well as to-day. It is the same old story year after year. For my part I cannot understand why the Government leaders—and I do not care which party they belong to, whether Tory or Grit—do not bring about a change of conditions. It was expected that we would prorogue before now, but we are about to adjourn until Monday next. I agree with the honourable gentleman who has

just spoken (Hon. Mr. Willoughby) that there is nothing to be gained by waiting for the Grain Commissioners; in my opinion, such delay is entirely unnecessary. I would like to ask the honourable leader of the Government in this House, a gentleman for whom I have the very highest regard, why he, who likes to do something in the interest of the country, cannot change this state of affairs, when important Bills reach this House in the last days of the Session, and are put off from day to day.

Hon. Mr. DANDURAND: Of course, there is a rule against referring to what has taken place in a Committee, but my honourable friend knows that I did not see the necessity of calling members of the Grain Board; so that I should be absolved of any responsbility for the delay that occurs.

Hon. Mr. SCHAFFNER: The honourable gentleman is quite right. He wanted to go on with this Bill; I recognize that.

Hon. Mr. DANDURAND: But since the Committee decided that we should await the arrival of those gentlemen I had only to abide by the decision of the Committee. I was ready to go on with the Rural Credits Bill this afternoon. My honourable friend knows what has been suggested by my honourable friend opposite, and I had graciously to yield and say Monday afternoon. We will take the Rural Credits Bill then, and I hope we will dispose of it in the afternoon; then we will examine the Grain Bill in the evening in the Banking and Commerce Committee, notice of the meeting of which has been given already by the Chairman. As these Bills are of some importance I believe we can cope with them and decide upon our course before Tuesday evening.

Will an effort be made in the other Chamber for prorogation on Wednesday? I do not know, but if the other Chamber is ready on Wednesday, I hope that we shall be ready. If not, we will remain here a few days longer, and do our work thoroughly. I only regret, for the reasons I have mentioned, that this Grain Bill did not come out of Committee two or three days ago.

Hon. Mr. McMEANS: Will the honourable gentleman inform the House what will happen if there is a change of Government in the meantime?

Hon. Mr. DANDURAND: Well, I generally wait to reach the river before I think of the way I will cross it.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, my honourable friend has not replied to the very reasonable stricture of my friend behind me (Hon. Mr. Schaffner), that we have been put in the position that two of the most important Bills have come from the Commons within practically a few days of the time when we may be summoned to leave this place. I do not see any reason in the world why these two Bills should not have been here two months ago, instead of coming at the time they did. That is where the initial error lies—in keeping important Bills so late. My honourable friend agrees with me in that; but when he intimates that there is a somewhat bad feeling in reference to the Senate not putting these Bills through rapidly, I would remark that if there is any ill-feeling at all it ought not to be directed towards my honourable friends here and myself, or any member of the Senate.

If the Senate is to be anything more than a cipher, or to show any reason or warrant for its existence, it surely must pay particular attention to the legislation that comes from the other House, and it must, in the interest of the country, set itself to the very best solution of questions as they come, one by one. If the Senate is not to be a cipher, it must not relegate its duty and responsibility to the background. The initial fault lies upon the agency which neglects to get these important Bills here in time to give us an opportunity for their proper consideration.

I take a little of the onus for asking the members of the Grain Board to come down, not because of the portion of the Bill which is concerned with the amendment made, and which we have been particularly discussing; but the question on which I want some light is that of the erection of an Inspection Department at Moose Jaw. During all the time that I was Minister of Trade and Commerce, and had matters relating to grain under my supervision, the Grain Board, the Department, the Government itself, and I think the very best judges of the general interests of grain production and marketing, did not favour the erection of an inspection plant at Moose Jaw. We thought the reasons for our decision were very good; but now, all at once, there comes a section in this Bill which goes back upon that traditional and well-based policy. If it can be shown that circumstances have changed so as to make that a necessary and beneficial step for the general marketing of grain, I am content; but unless that is done, I do not want to vote in favour of it, and I consider that the presence of the Grain Commissioners is necessary in order to elucidate the matter.

The Senate adjourned until Monday, June 28, at 3 p.m.

THE SENATE

Monday, June 28, 1926.

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

Prayers and routine proceedings.

GOVERNMENT CRISIS

RESIGNATION OF THE PRIME MINISTER AND THE CABINET

Hon. Mr. DANDURAND: Honourable gentlemen, I have a communication to make to this Chamber. I will do so in the terms in which it was made to the House of Commons this afternoon. The Hon. William Lyon Mackenzie King made the following statement:

The public interest demands a dissolution of this House of Commons. As Prime Minister I so advised His Excellency the Governor General shortly after noon to-day. His Excellency having declined to accept my advice to grant a dissolution, to which I believed under British practice I was entitled, I immediately tendered my resignation, which His Excellency has been graciously pleased to accept.

Under those circumstances I have ceased to act in this Chamber as a member of the Government, which has gone out of office; and, the situation being as it is, I move the adjournment of the House.

Hon. W. B. ROSS: Until when is the adjournment?

Hon. Mr. DANDURAND: Naturally, until to-morrow.

The motion was agreed to.

Hon. G. G. FOSTER: Before the Speaker leaves the Chair I would ask my honourable friend if it is his intention or wish that the Committee on Banking and Commerce, which has been called to meet after this House adjourns, and to-night, should hold its meeting or not.

Some Hon. SENATORS: No.

Hon. G. G. FOSTER: The meeting has been called.

Hon. Mr. DANDURAND: It is through habit that my honourable friend is addressing me. I am unable to answer him.

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

THE SENATE

Tuesday, June 29, 1926.

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

Prayers and routine proceedings.

FARM LOAN BILL

THIRD READING

On the Order:

Third Reading Bill 148, an Act for the purpose of establishing in Canada a system of Long Term Mortgage Credit for Farmers.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: Will the honourable gentleman take charge of this Bill?

Hon. W. B. ROSS: As it stands in my honourable friend's name, I think it would be well if he moved the third reading. That would bring it before the House.

Hon. Mr. DANDURAND: I move, seconded by Hon. Mr. Murphy, that this Bil be now read a third time.

Hon. G. G. FOSTER: Honourable gentlemen, the changes that were made in this legislation, as indicated by me the other day before this House, are practically the important ones that come under two heads. One was the limitation of 1 per cent for expenses and so forth, with regard to the carrying on of this Act that was placed in the Bill in another Chamber; the other was the limitation imposed under an amendment proposed by the honourable member for De Salaberry (Hon. Mr. Béique), who said he thought that all expenses, interest, and charges of any kind in each Province which came under the operation of this Bill should be limited to the Province. In that the Committee concurred. Those are the two principal changes made.

Now, in order that we may understand the Bill, I will read to the House the changes made.

1. Section 3. A change was made in this section to provide that the appointment of the Canadian Farm Loan Commissioner and the other two appointed members of the Canadian Farm Loan Board shall be "on such terms and conditions as the Governor in Council may prescribe."

When this section was under discussion it was felt by the Committee that the man appointed as Commissioner, for instance, should be specially qualified, and should possess great experience and training in lending money and general knowledge in order to discharge the duties of the position, and it was felt that in the case of all the appointments

under this section it should be left to the Governor in Council to prescribe the details of appointment and that there should be some provision made for retiring an incompetent Commissioner.

2. Section 5. A change in wording was made in the first sentence of subsection (1). There is no change in substance involved.

Two slight changes in wording were made in subsection (2), one being for the purpose of making it clear that the capital stock shall be based on the amount of principal outstanding on mortgages from time to time rather than on the original face value of the mortgages made and outstanding; the other being to provide that shares in the capital stock may be transferred at the option of the Board. In such a case as the sale of a mortgaged property to a purchaser satisfactory to the Board, the Board might desire to continue the loan to the purchaser and to transfer to him the vendor's stock in the Board.

As the Bill was drafted the owner of the stock would remain the owner although he sold his property, and it was felt that in case of sale the new borrower should own the stock and that the Board should have the right to transfer it to him.

3. Section 7, subsection (5). This subsection was changed by striking out the limitation to 1 per cent on expenses of operation of the Board. It was felt that the judgment of the Board should be unfettered in fixing the provision to be made in the mortgage interest rate to take care of the cost of operation.

Subsection (6) was amended to provide that the borrower shall have the choice between annual and semi-annual payments on the mortgage.

The Committee felt that the borrower was the one who should stipulate with regard to that.

Subsection (7). An amendment was made to provide that the borrower shall pay in addition to interest, assessments and taxes, all other charges the payment of which is necessary for the protection of the Board, and if such payments are made by the Board interest thereon may be charged at a rate not exceeding 8 per cent. In such event, if the said payment by the Board is not repaid to the Board by the borrower on the next interest date the borrower shall be deemed to be in default under the mortgage.

Subsection (8). This subsection has been amended to recognize the right of the borrower to repay his loan in whole or in part at any time, instead of after five years, as in the original Bill. This privilege, however, will be subject to regulations not inconsistent with the provisions of the Interest Act, which provides that the penalty for prepayment after five years duration shall not exceed a three months' bonus of interest.

The Committee had a good deal of discussion upon that question. Some thought it was only justice that the Board when loaning money should know that it had been loaned for five years and could not be repaid within that time; but, after taking into consideration the representations made on several occasions, the Committee felt that perhaps a man borrowing money perhaps for ten or fifteen years might have a good crop and might desire to repay his loan within five years of the loan and we felt that he should have the right to do it.

Subsections (9) and (10). These sections were amended to provide that the calling of the loan for misapplication of proceeds by the borrower, or upon sale of the property shall be at the option of the Board. The original Bill made such action in those circumstances compulsory.

It was represented to us that a borrower might say: "I want to borrow $1,000 or $2,000; I am going to buy so much machinery and pay so many debts," and so on;—and, as one of the witnesses said, he might go and buy an automobile. Under the Bill as drafted, that would automatically make the loan due. The Committee felt that it should be left in the hands of the Commissioners to say whether the misuse of the money was of such a nature as to make it necessary to recall the loan.

4. Section 8. The number of members of the Provincial Board provided for in subsection (2) was reduced from five to four, the reduction being in the members representative of the borrowers from two to one. There was also a proviso added to this subsection to the effect that until the borrowers can be organized to make the nomination of a representative to the Board practicable all the functions of the Provincial Board may be exercised by the three members nominated by the Government of the Province.

Some thought this provision unnecessary—that, as the loans would be scattered about throughout the country, there would be no connecting links between the borrowers, and that it meant nothing; but the consensus of opinion was that at any time, when representations were made in a proper way, the borrowers might well be given representation on the Board of Management.

5. Section 9, subsection (1). This subsection was amended to make it clear that the 25 per cent of the net earnings to be

allocated to reserve may be discontinued when the reserve equals 25 per cent of the paid capital stock, not including, however, the initial capital. The section as originally drawn would include the initial capital.

A new subsection was added to the section to provide that on foreclosure of the mortgage and transfer of title to the Board the capital stock held by the borrower in the Board shall be cancelled and the amount paid thereon by the borrower forfeited to the Board.

That is to say, the loan having been repaid, there was no reason for the borrower being the owner of that stock, and therefore the Board would have the right to cancel it and with it make up in a small way for a poorer loan.

6. Section 13. A slight verbal change was made in section 13 to make it clear that the salaries of the staff of the Provincial Board shall be fixed by the Farm Loan Board. The wording of the section was originally that the said salaries should be "subject to the approval of the Board" which might imply that they should be fixed by the Provincial Board itself.

7. Three new sections have been inserted after section 13.

One provides that the audit of the Board and each Provincial Board shall be made a firm of chartered accountants appointed by the Governor in Council and that a copy of the report of the accountants on the annual statement shall be laid before Parliament.

The feeling was that the Board of Audit should be composed of the very best men, and that their report should be laid before Parliament.

Another new section is to the effect that, so far as practicable, the shareholders in each province shall get the full benefit of the operations of the Board in such province. This will authorize the Board to give to the shareholders in each province the benefit accruing from a favourable loss experience by varying the dividends payable to borrowers, provinces and the Dominion on capital stock of the Board subscribed in respect of the loans in the various provinces or otherwise as the Board may decide. This will, it is believed, provide an incentive to the Government of the Province and to the borrowers in the Province to secure sound administration and careful selection of loans.

That clause was discussed very thoroughly by the Committee. At first sight there appeared to be some objection that there would be different rules and different rates and different management in the different Provinces; but it was felt that if the usefulness of this organization was to extend beyond one or two Provinces, some sort of encouragement would have to be given to the borrowers outside of those Provinces. Honourable gentlemen will realize that different rates of interest prevail in several of the Provinces of this country; they will realize that the ratio of the expense in one Province will be different from that in another, and that in some Provinces the loans may be scattered throughout the country, while in others they will be grouped. There was also a feeling that we should do something to bring in the organizations of Provinces like Ontario, who have taken the position that they are well enough off now. The answer of the Ontario official to the invitation to our meeting was "We are not interested, we have an organization of our own, our rate is satisfactory." The Committee knew that because of the rates paid in some Provinces it would be very difficult to get them to come into the scheme. They borrow their money at a different rate; they get it from municipal corporations and companies that give it to the Province at a low rate, and therefore they are able to loan it to the borrowers at a rate at which we could not possibly hope to give it to them under this scheme. We also felt that if the Commissioner or an organization in a Province were prudent in their loans, reasonable in the payment of salaries, and successful in their business, they should secure a benefit for their borrowers in that Province.

The third new section provides that, except as may be otherwise decided by the Governor in Council, the actions and decisions of the Board shall be deemed to be within its powers, and shall be conclusive against all interested parties. This section is designed to protect the Board from attacks by persons, for political or other reasons, seeking to establish the fact that the Board has in some transaction or other exceeded its powers. It may have the effect of avoiding vexatious litigation which might do much to hamper the success of the Board.

Section 15 was amended to provide that if bonds of the Board are purchased by the Minister and repurchased by the Board, the repurchase shall be at the same price as the original purchase. That was not in the original Bill or in the Bill as submitted to us; but it seemed to us that it would be an advantage to the Board in many of those provinces, and that if they repurchased those bonds they should be permitted to do so at the rate at which they were sold.

Section 16 was amended to provide that the duties of the appraisers, inspectors and other officers of the Board, as well as their remuneration and the terms of their employment, shall be subject to regulation by the Governor in Council. That is to say, that the recommendation would come from the organization itself, but that they could not go on and make contracts for 25 years, say, with a man, or with a large number of men, in such a way as to destroy the usefulness of the scheme and the committee thought that they would be less likely to do so if they were under supervision.

That, honourable gentlemen, is the list of amendments made by the committee. They were made after the most careful study, and after we had the fullest opportunity of hearing experts in all the branches that were interested in the Bill. The Committee submit these suggestions to the House for consideration with the best wishes for the Bill, and in the hope that if it becomes law it will prove to be successful in the Provinces that have expressed the hope and wish that it should be passed.

Hon. Mr. GRIESBACH: I would like to make a suggestion. When the question was under discussion some days ago I suggested that opportunity might be taken on the third reading to put on Hansard some of the information that was laid before the Committee as to the amount of loans now outstanding by insurance, loan and trust companies, etc. together with the cost of administration; also that the same statistics might be arranged to show the cost of administration by Provinces, the amount of arrears in those Provinces, etc. I had hoped that this information would go on Hansard at the same time as this report, and thereby support many of the amendments which have been offered by the Committee, more substantially than would otherwise be the case. I would like to ask the honourable gentleman who has just spoken if he has that information to give us, and whether he could not give it to us now.

Hon. G. G. FOSTER: I did not prepare the statement as my honourable friend suggests, because I felt that we had had more evidence produced before us that at first we did not have any idea of receiving. I am not able to give the information which my honourable friend desires, but there is no reason why the statement suggested should not be prepared, and I think we may be able to put it before the House to-morrow, although if the evidence is printed, as I shall move, it will not be necessary.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, in listening to the evidence as it was given before the Committee I felt that most of it was in its nature unusual and very valuable. We were attacking a new proposition, the establishment of a rural bank outside of our general banking system, and it was a new question for most of us. A great deal of thought was given to the matter, and a very careful examination was made by various associations into the principles, methods and results of the working of banks in other countries that were almost similar to those proposed in this Bill. Most valuable research was made, and statistics and information were presented to us as to the experience of loaning associations in our country, in the different Provinces, the principles upon which they were formed, the main objects that were carried out, the results in the way of expenses, arrears, foreclosures, and all the problems connected with them.

I doubt whether many Committees had more varied and complete discussion of the whole principle in reference to this problem than we had before that Committee. It would be a pity if that information should be lost. I understood the Committee to have come to the conclusion that the particularly technical part of that evidence would be prepared for us and made available to us in print. This question is only on the verge at present, and it will no doubt be before this House and the other House many times in future, and I think the information given to us will be a valuable source to have in convenient form for future examination, and study of cognate subjects. My understanding was that a careful selection should be made of the most important evidence, which should be printed and put on our records. I may add that several parties, men of large experience and technical knowledge representing various associations, have expressed the wish to have the evidence at their disposal for the purposes of comparison and guidance.

Hon. G. G. FOSTER: The Committee decided that we would have a number of extracts made, but they felt that without the instructions and concurrence of this House they would not be justified in going to the expense of having them printed. If it is in order to do it, printed copies might be made in abbreviated form, as has been suggested, for distribution to the places from which requests have come for the information. I will move that an order be given that such a summary be printed.

Hon. Mr. DANDURAND: My honourable friend could perhaps postpone his motion till we have disposed of the third reading.

Hon. Mr. McMEANS: As we are now on the third reading, I wish to say that there was one amendment which I think should not form part of this Bill, that is new subsection 5 of section 9. As I read that amendment it would have an effect which I do not think the Committee ever anticipated. It reads:

(5) If as a result of proceedings under any mortgage the title to the property securing such mortgage is transferred to the Board, the stock held by the borrower in the Board shall be cancelled and the amount paid thereon by the borrower shall be forfeited to the Board.

What I want to point out is that many cases exist of a man's property being foreclosed and sold by the Board at a profit. In such cases there is no reason why the man's stock should be forfeited. I quite understand that if a mortgage is foreclosed and the property does not sell for the amount of the Board's claim, the stock, or the amount that the man has paid on his stock, should be applied on his indebtedness to the Board. But where the property is sold at a profit, why should the man's stock be forfeited to the Board? I would word the section so that, in the event of the property not having realized the Board's claim, the amount paid on the stock should be applied on account of the claim; but there is no reason why they should forfeit a man's stock if, after he pays a certain amount of money, his property, on being sold, realizes perhaps more than the mortgage. I would move that the clause be amended in that way.

Hon. Mr. WILLOUGHBY: I suppose the object of the clause was that if there were losses in connection with some loans the Board would be able to cover those losses by gains in other cases.

Hon. G. G. FOSTER: That was the idea—that the loss that would be made on one transaction would be covered by the gains in another. There might be some little surplus left in which case it would be a hardship for the man to put up his stock, but on the other hand the Board take the stock in order to make up their loss. We thought this would equalize the total losses and expenses that were incurred in connection with the loans.

Hon. Mr. BEIQUE: And I think this clause would perhaps induce the Board to be more lenient with the borrower, because they would feel that even if they lost by one borrower by extending the term, or waiting before enforcing foreclosure, they might recoup themselves in other cases; whereas if the change suggested is made it might not be in the interest of the borrowers themselves.

The Hon. the SPEAKER: I understand the amendment moved by the honourable Mr. McMeans, seconded by Hon. Mr. Gordon, would read as follows:

Strike out all the words after the word "Board" in line 27, and substitute the following: "the stock of the borrower shall be held by the Board, and if on the sale of said property the amount shall not be realized in full the amount paid thereon shall be applied on such indebtedness."

Hon. Mr. DANDURAND: Honourable gentlemen, I believe that the amendment would not be an improvement on this clause. I draw the attention of my honourable friend to the fact that the cancellation of that stock only takes place after the title to the property passes to the Board, and that can only be done when the borrower is hopelessly involved and cannot meet his obligation. I am quite sure there would be no thought on the part of the Board of starting proceedings against the borrower if they had in hand, in the form of stock, sufficient to cover the liability. The clause does not mean that the Board can liquidate all stock to pay the then existing liability. The stock remains there; but the question arose in the Committee as to what should be done when the title of the borrower to that stock was gone, and he had lost his property to the Board. After argument the conclusion was arrived at that that stock should be cancelled.

I do not think that my honourable friend, or anyone looking at the wording of this Bill, would feel that there is any danger of the borrower finding that he had handed more to the Board than he actually owed. One must not forget that he has already lost his property. Could not my honourable friend accomplish his object by providing that the property should be held in trust by the Board, and when resold, if there happened to be a margin of profit, that that margin should go to the borrower? I believe that there is no hardship placed on the borrower by the clause if it remains as it is.

Hon. Mr. BEIQUE: I think the honourable gentleman is losing sight of the fact that the only amount which would be forfeited on the stock in question would be 5 per cent, so that it would not amount to very much.

Hon. Mr. DANDURAND: And the borrower would be already a debtor to such an extent that proceedings had been taken, and the title to the property had passed to the Board.

Hon. Mr. McMEANS: My answer is that the evidence given to the Committee by the gentleman who had charge of these Boards in Manitoba and Saskatchewan was to the effect that time and time again they had sold properties that had come into their hands by foreclosure, and had made a profit. I think it was the Chairman of the Board for Manitoba who said that on several farms that he had received after foreclosure there was a profit of $20,000.

My honourable friend says that those men are so badly in debt that they cannot redeem their property; but what I want to point out is that after the man subscribed and paid in, say $250, he receives no advantage if the Board foreclose for enough to pay them, the legal charges and selling costs, and then want to take away the stock, which represents the money the man has paid.

Hon. Mr. DANDURAND: The clause was inserted because 50 per cent of those lands may be sold at a loss, and there must be some chance to recoup the Board.

Hon. Mr. McMEANS: My honourable friend states that when foreclosure proceedings are taken the borrower loses all interest in the property. That is not so. When a sale is made of property under a power of sale, if it realizes more than the amount of the mortgage, the mortgagor has a right to come back and demand that money over and above the amount of the debt and costs. I contend that the same rule would apply to property sold by the Board. I do not wish to push this matter to an extreme, but it seems to me very severe, and very unfair to the borrower if there is a surplus over the amount of the Board's claim, that he should also lose the amount paid on the stock. This Bill provides for a Board to lend money to the people, and it does not seem to me just and reasonable that such a power as this should come into operation, no matter what the conditions are. It says that that stock shall be cancelled and forfeited. In the amendment which I have proposed I say, not that the borrower shall get back the stock, but merely that if the property sells for more than the amount of the Board's claim the borrower shall be left in the same position as any mortgagor would be in if his property were put up for sale under the law in the usual way. Leave him in possession of his legal right to come to the Board and say, "You have sold my property for a larger amount than you had against it, and I think you ought to pay me the difference." My proposed amendment would permit of the borrower receiving back exactly what is due to him. Under the new clause submitted by the Committee, the property of the borrower is all forfeited. I do not think that is right. I think forfeiture is a penalty in which we in this House ought not to indulge, especially under a Bill of this kind, the purpose of which is to help the farming community.

Hon. Mr. DANDURAND: The honourable gentleman must not lose sight of the fact that, in virtue of this Bill, the 5 per cent, plus the dividend upon the stock representing that 5 per cent, goes to meet the last payments due by the borrower at the end of the term of twenty or thirty-two years. Therefore the condition that is set in the Act does not occur because of his failure to pay during the time when that amount is available to him. Under these circumstances the Committee felt that he should not remain a creditor of the Board, since he had been in default in his payments to such an extent that the title had passed to the Board.

Hon. Mr. McMEANS: The simplest way to solve the difficulty would be, in drawing your mortgage, to take a mortgage on the stock and on the property. I do not like the word "forfeited."

Hon. W. B. ROSS: Honourable gentlemen, I think the honourable member from Winnipeg (Hon. Mr. McMeans) has not quite caught the object of this amendment submitted by the Committee. The first part of the clause provides:

> If as a result of proceedings under any mortgage the title to the property securing such mortgage is transferred to the Board.

The whole thing is transferred to the Board. There was no trouble about the land: the land would be vested in the Board. But what about the stock? That question was raised in Committee. The stock would be in the borrower's name: How would the Board get it? The words of this proposed amendment were inserted to provide a piece of machinery to wipe out that man's holding of stock and to bring whatever it represented back to the Board. His stock stands along with his improvements. Suppose a man bought land from the Board, put substantial improvements on it, and then fell down in his payments and was foreclosed. They got possession of his property. The land itself, the improvements that he has put on it, and his stock, all go to the Board. The purpose of this clause is merely to provide a means whereby that stock is to be taken off the register or transferred from the borrower to the Board. That is all there is in it. If you are going to change it and say that a bor-

rower shall have the right that the ordinary mortgagor has when his property is foreclosed, of saying to the mortgagee, "I borrowed $10,000 from you; you have got $12,000 out of the sale; there is $2,000 that is mine,"—you are going to have a brand new provision, entirely different from what you have here; for the intention of the clause recommended by the Committee is to arrive at a fair average. Some people will be hurt and some will be benefited. That is my clear recollection of what was expected to result from the forfeiture of that 5 per cent.

Hon. Mr. DANDURAND: I would suggest that my honourable friend do not insist on his amendment. That child will grow and will be with us, I think, very often in Sessions to come.

Hon. Mr. McMEANS: I will not insist upon the amendment. I desired simply to point out to the House my view of the matter. In answer to the honourable gentleman, I would say that the effect of my amendment, which I drew very hurriedly, was simply that the stock would be held by the Board, and, if the farm itself did not pay the mortgage in full, then all money applied on the stock would be applied to the indebtedness. That seemed to me only fair and equitable. However, I withdraw the amendment.

The amendment of Hon. Mr. McMeans was withdrawn.

Hon. W. B. ROSS: Honourable gentlemen, I wish to move an amendment to this Bill, and in explaining it I will try to be as brief as possible. I think I can best explain what it is if, before reading it, I read a part of section 8 of the Bill, which is printed at the bottom of page 5:

> Loans under the provisions of this Act shall not be made in any province of Canada until notice of intention to commence the making of loans in that province has been given by the Board in the Canada Gazette, provided that the Board shall not give such notice until the legislature of such province shall, by enactment, authorize, prescribe or provide:
>
> (1) The subscription by the government of the province to the capital stock of the Board to the extent of five per cent of the total loans outstanding at any time in that province as such loans are issued;
>
> (2) The establishment of a provincial board of four members—

I need not read the rest of that section. You will see there that this Parliament has had to call upon the Provincial Legislatures for legislation in order to work out this Bill. The amendment that I propose could be worked into that section which I have read, but I dislike striking out words and putting others in, if an amendment can be effected in another way, because this method is apt to lead to complications. I can arrive at my amendment by a new clause to be added at the end of the Bill as section 18:

> This Act shall not come into force until a majority of the Provincial Legislatures have enacted the legislation required by section 8 of this Act.

That is simple enough. Certain legislation is demanded by section 8, and if the Bill stands as it is, any one Province could set in operation the whole of the machinery provided in the Bill, which involves pretty large sums of money. Now that the Bill has been reported, I am not going to say anything about that except to give an explanation of my amendment. As a matter of fact, I do not like the Bill at all, and never did. Some years ago a Bill was brought into this House for the purpose of assisting the Provinces in building highways. I voted on that occasion against my own party. I thought then, and I think still, that where we have a federal system, with subjects assigned to the Dominion Parliament and others to the Provincial Legislatures, it is a mistake for the National Government to be intruding upon the functions and powers of the Legislatures, or vice versa, or mixing them up. The fact that we are invading provincial powers is proven by section 8 itself. We have not complete jurisdiction to enact this legislation, and therefore we have to appeal to the Provinces. I have that general objection to the legislation, and if I had my own way about it, I would never be a party to introducing it at all, but would leave it to the Provinces themselves. However, in this world a man cannot have all his own way, so he must take what he can get.

I have stated my objection to the mixing up of jurisdiction. Some day or another there will be trouble resulting from it. We made up our minds not to have a legislative union. If we had, of course a proposition of this kind would be quite in order, and the question of jurisdiction would not so often arise. But, apart from these considerations, which I think are serious—though I will not stress them, as the Committee have reported the Bill—I want to point out another feature. From all we know about the matter, this Bill is not needed. I had prepared for me a statement which I think is substantially in accord with one made by witnesses before the Committee as to the work done by the Provinces of Saskatchewan, Manitoba and Ontario. Other information that I got, about the other provinces, is incomplete and not of much value. It appears that the provinces of Manitoba and Saskatchewan have, between them, lent a very large sum of money, between $9,000,000 and $10,000,000.

The Province of Saskatchewan reports a revenue for the year 1924 covering all operating expenses and depreciation and leaving a surplus of $64,000. Of this they transferred to real estate reserve $30,000, and there remained a net surplus for the year of $34,000.

The Province of Manitoba for the same year shows a net profit of $57,725.

The Province of Ontario reports that there was a net surplus of $15,641 on the operations of the Board from its inception in the year 1921 to October 31st, 1924.

There are three provinces that are lending money and are not losing, but gaining by it. I would like to know why this Parliament interferes with the provinces at all. Why not let them alone.

Hon. Mr. DANDURAND: That is, Manitoba and Saskatchewan?

Hon. Mr. ROSS: Manitoba and Saskatchewan. The Province of Ontario is on the same footing; but, as we know, their representatives have refused to come before our Committee. They said they were making loans at 5½ per cent, and they asked to be excused from appearing and giving evidence. I cannot speak for any of the other Provinces —Quebec, New Brunswick, or Nova Scotia— except to say that I have the statement of good, reliable business men in those Provinces that they know that their Governments will not have anything to do with this Bill. Of course, those Provinces would have to speak for themselves.

What I think would be an improvement on this Bill, and would partly meet my objection as to our interfering in Provincial jurisdiction, would be to provide that the Bill shall not come into force until a majority of the Provinces signify their intention of coming under it. That would be some assurance that at least a part of the people of the Dominion of Canada wanted this legislation.

I do not desire to prolong the discussion. I will hand to the reporter this memorandum with regard to the loans made in the different provinces.

Memorandum for Hon. Senator W. B. Ross on Agricultural Credits in Canada

In a report on Agricultural Credit prepared by Dr. H. M. Tory in 1924 for the Dominion Government, statistics are given for those provinces which administer acts offering financial assistance to agriculturists. The information is brought down in most instances to the end of the year 1922. Activities in most provinces have fallen off since 1922, due to funds not being available from provincial sources.

The following statistics by provinces, supplement Dr. Tory's statements as far as information is available in the Bureau of Statistics. Those in British Columbia for 1922 are taken from Dr. Tory's report, while those for 1923 and 1924 are from the Public Accounts statements of the province.

British Columbia

	Year ended Dec. 31 1922	1923	1924
Land Settlement Board operations:—			
Loans outstanding.. ..	$627,615	$596,788	$639,354
Interest overdue..	34,486	72,761	93,246
Agricultural Credits Commission:—			
Loans outstanding.. ..	691,250	551,496	511,375
Interest overdue..	32,153	40,234	50,605

Alberta

Late information is not available at present. Dr. Tory's report shows that under the Co-operative Credit Act passed in 1917 and amended in 1922 that the outstanding loans to societies in December, 1923, amounted to $245,712.

Saskatchewan

According to Dr. Tory's report the total sum permitted to be raised under the Farm Loans Act is $10,000,000 and that at the end of 1923 approximately $9,000,000 had been loaned out under the scheme.

Later reports of the Farm Loan Board are not available at present in this Bureau, but the following extract taken from the "Public Service Monthly", January, 1926, shows the operations of the Board during the year 1924:

"Applications for loans were received during the year 1924 to the number of 542 for an aggregate amount of $1,604,900, but, the report explains, as the amount to be advanced to the board was limited by the Legislature to $500,000 for the year and as the board was requested to make advances for seed grain, hail insurance premiums and fire insurance premiums for a large number of borrowers, the board preferred to use its funds for assisting our present borrowers and for the protection of our existing securities, and as the amount required for these purposes was uncertain the board considered it advisable to curtail its loaning and only 77 loans were paid out for an aggregate amount of $281,000."

The cash collections and remittances to the Provincial Treasurer, exclusive of principal of mortgages paid in full, have shown a steady improvement during the last four years, the amount being as follows:—

1924..	$1,082,867
1923..	824,497
1922..	657,263
1921..	335,743

In the matter of advances for taxes, seed grain and hail insurance to its borrowers the Board owed the Provincial Treasurer on December 31, 1923, as follows:—

Taxes..	$159,906 74
Seed Grain..	37,029 65
Hail Insurance..	21,550 76
Total..	$218,487 15

During 1924 the following further sums were advanced:—

Taxes..	$128,778 88
Seed Grain..	11,362 31
Hail Insurance..	32,060 15
Total..	$172,201 34

On December 31, 1924, however, the total outstanding indebtedness by the Board to the Provincial Treasurer for the advances mentioned was $202,543.03 showing a reduction of $15,944.11 from 1923.

Advances as above in 1924 for taxes, seed grain and hail insurance.. ..	$172,201 34
Loans to borrowers during 1924.. ..	281,000 00
Total amount loaned 1924.. ..	$453,201 34

For interest on working capital advances the Board owed the Provincial Treasury $302,316.87 on December 31st, 1923, which was reduced to $198,229.16 on December 31st, 1924.

Revenue for year covered all operating expenses and depreciation and left a surplus of..	$ 64,041 92
Transferred to Real Estate Reserve..	30,000 00
Net surplus for year 1924..	34,041 92
Surplus carried forward..	208,946 23
Surplus carried forward to 1925.. ..	242,988 15
Exclusive of real estate reserve which is..	50,375 95

Manitoba

Dr. Tory's report states that three acts respecting Rural Credits have been passed and are now in operation.

1st. Under the first act there is a body corporate under the name of the Manitoba Farm Lands Association. Up to December 31, 1923, approximately $3,000,000 had been loaned under this act.

2nd. The Rural Credits Act is an act authorizing the making of short term loans. In 1923, approximately $3,000,000 was outstanding in loans of which at least three-quarters were renewals of loans with outstanding interest charges of approximately $30,000.

3rd. "An Act to encourage Savings, to authorize the borrowing of such savings and the issue of Securities therefor," is similar to the corresponding Act in Ontario.

The following information is taken from the annual report of the Manitoba Farm Loans Association for the year ended August 31st, 1924.

Loans advanced during the year..	$ 433,700
Loans outstanding at end of year.. ..	8,926,705
Total loans issued up to August 31st, 1924.	9,186,100
Loans paid off in full during year, cash.	32,036
Net profit for year..	57,725

Ontario

Three separate Acts respecting rural credits were passed in 1921. The first provides for long term or mortgage credit, the second deals with short term personal credit while the third provides special means, such as governments savings banks for deposits to finance the other two acts.

The first two acts are operated by the Agricultural Development Board but the short term loans also require what are known as Farm Loan Associations to carry on operations.

The following statistics show the working of the Board during 1922, 1923 and 1924.

Ontario Agricultural Development Board

	Year ended October 31			Total for 3 years
	1922	1923	1924	1922-24
Long Term Loans:				
No. of applications granted..	458	953	990	2,401
Amount of loans passed..	$ 2,040,605	$ 3,729,350	$ 3,582,150	$ 9,352,105
Short term loans:				
No. of borrowers..		399	344	743
Balance of loans outstanding..		$ 279,673	$ 231,403	

The earnings of the Board consist of inspection fees, legal fees and the 1 per cent difference in the amount which the Board pays on its bonds and debentures and the rate charged to its borrowers. There was a net surplus of $15,641.52 on the operations of the Board from its inception to October 31st, 1924.

Quebec

In this province there are what are known as "Caisses Populaires" or "Co-operative People's Banks" operated under the Quebec Syndicates Act. While these banks admit membership other than farmers they work out more largely in the farmer's interest owing to the predominance in membership of that class of occupation, consequently the institutions may be considered rural.

The following statement shows the operations of the banks during the years 1922-1924.

Progress of Co-operative People's Banks

Description	1924	1923	1922
Number of Banks which sent reports..	119	111	108
Number of members.. .	31,250	32,173	33,166
Number of depositors..	30,874	29,771	30,583
Number of borrowers..	8,414	8,373	8,999
Number of loans granted.	11,017	12,273	13,367
Amount loans granted..	$3,763,852	$3,429,444	$2,891,092
Profits realised..	398,976	354,804	334,396

New Brunswick

An Act was passed in 1912 to encourage the settlement of farm lands and through the medium of what is called the "Farm Settlement Board" financial assistance may be granted to agriculturists.

The loans outstanding on October 31, 1922, amounted to $80,439.55; for 1923 they were $74,152.21 and in 1924 they were $67,317.19.

A "Farmers Relief Act" was passed in 1923 to relieve farmers from financial embarrassment, to encourage agricultural development by providing for loans upon farm mortgages at reduced rates of interest. No information is at present available to show whether the Act has been in operation as yet.

Nova Scotia

Under the Act for encouraging settlement on "Farm Lands" passed in 1912 and amended in 1913, 1915 and 1919, loans to 71 farmers amounting to $152,000 up to 1922 were made. Very little change appears to have taken place since that year in the advancement of loans.

In 1919 an Act to provide loans to agriculturists upon the security of farm mortgages was passed, to be administered by a board of three. The Act which was not in force up to 1922 has not apparently been put in force since.

J. R. Munro,
Chief, Finance Statistics Branch.

Ottawa, April 29, 1926.

Hon. Mr. SCHAFFNER: Does that amendment mean—it cannot mean anything else, so far as I understand it—that before this Act can become effective five Provinces out of the nine have to declare for it?

Hon. Mr. ROSS: That is what it means.

Hon. Mr. SCHAFFNER: That is a good way to kill it.

Hon. G. D. ROBERTSON: Honourable gentlemen, I have been mentioned as second-

ing this amendment, but, finding myself out of sympathy with it, I would ask that the name of some other member be substituted for mine.

Hon. LORNE C. WEBSTER: I will second it.

Hon. Mr. McLENNAN: I will second it.

Hon. Mr. DANDURAND: For my part, I cannot accept that amendment, and I will in very concise words say why. We all recognize the importance of the prosperity of the farmers in this land. We recognize that we have had a share of responsibility of the Federal power in the peopling of the Northwest. We have opened up the lands of the West and we have called "urbi et orbi" for people to come and settle there. I remember the last speech made in the Legislature of Saskatchewan by Hon. Walter Scott, then Prime Minister of that Province, and I was shocked by his statement that it was difficult for the farmer in the West to prosper, with the money which he needed at 8 per cent and more. He showed in that speech, copies of which were sent broadcast to the members of this Parliament, how the interest which the farmers in the West were paying was eating into their vitals. While recognizing that this is a Bill for the whole of Canada, I feel that its primary purpose is to come to the help of the Western farmer. Ontario is taking care of itself for the time being, with money borrowed out of the savings banks. How long it will be able to draw upon that source is another question. Quebec will soon feel the pinch. Throughout the whole Province of Quebec, in every village, there was money available for the farmer who needed to borrow. But since we have gone into that Province and have shown the farmer who had $1,000 or $2,000 in the bank that if he put his money into Government bonds it would be safer and he would have less trouble in collecting his interest, ready money has been drawn out in many parts of the Province and placed in bonds. The time may come sooner than we think when Quebec will feel that it needs such an instrument as the one before us.

I ask you, honourable gentlemen of the West, what have we heard in the Committee? Although the rule and the practice has been not to refer to what has taken place in Committee, I think I may do so, as the Committee on Banking and Commerce has been doing the work of the Committee of the Whole. We have had two most interesting statements from representatives of the loaning Boards of Saskatchewan and Manitoba. One of the last witnesses we heard, Mr Fraser, said that he had been instrumental in lending $10,000,000 of money which had been provided each year in the estimates by the Legislature of Saskatchewan, and that instead of $10,000,000 he could just as easily have placed $100,000,000. He told us that because of three or four lean years when crops failed there had been difficulties with the farmers, but that for two years conditions had been picking up, and that the Board now owes nothing to the Provincial Treasury.

He showed us something more important still, namely, that the Government could not charge the Treasury with more than a million or two a year, and latterly $500,000 a year for lending purposes, but that their activities had had the effect of reducing the rate charged by the loan companies, and that since they had only $500,000 a year at their disposal the rate of the loan companies had gone up. There, it seems to me, you have a perfect demonstration of the usefulness of this Act.

Why should we intervene to allow these Provincial Boards a greater flow of money? The Legislature is somewhat afraid to add to the Province's apparent liabilities because of the effect it may have on its credit throughout Canada and abroad. The Province of Saskatchewan felt the necessity of appealing directly to the people of Saskatchewan in placing its bonds, and when it had issued $10,000,000 on that head decided that it should stop. The Province is devoting $500,000 a year to this purpose; but surely, while the loan companies have loaned $100,000,000 in that Province, if I am not mistaken—and I stand to be corrected if I am wrong—nevertheless Mr. Fraser declares that there is a demand for a large amount of money in that Province.

This, it seems to me, is a justification for the Federal Parliament to come to the help of those Provinces and enable them to secure money according to the needs of the farmers. We are, as I have said, responsible for the peopling and settlement of the West. Should we not do something to help those people and put them on the road to prosperity? If we can succeed in reducing the rate of interest they have to pay to the lowest possible figures, and include amortization during 32 years, will we not be helping the farmer of the Western Provinces? Will it not be of assistance to him to be enabled not only to obtain a lower rate of interest, but also to pay off the capital, and to have the right to pay off whatever amount he pleases during the term of the loan, and, if he has a bountiful crop and a prosperous year, to discharge the whole loan?

After the statement we have had from Saskatchewan—and I believe we had a similar statement from Manitoba—I think it would be cruel, it would be bad policy, to say we will only give help if five Provinces agree to accept this Act.

What representations have we had against this Bill in the Committee on Banking and Commerce? The representations made were not against the principle of the Bill, but against the amendment which was put in by the House of Commons declaring that the loan should cost the farmer the actual cost of the money raised by the issue of bonds, plus a maximum of 1 per cent for cost of operation, plus a certain percentage for possible losses. The loan company representatives told us that it would be somewhat dangerous to fix a maximum of 1 per cent to cover the whole cost of operation, because in their case the cost had been a fraction above 1 per cent. The Committee felt that full discretion should be given the Federal Board to fix the rate of interest, and in providing for that we have practically removed all the objections that were made to the Bill in the Committee.

Under the circumstances I regret to say that I am unable to agree to my honourable friend's proposal to suspend the operation of the Bill until five Provinces have agreed to accept it. I know that Manitoba and Saskatchewan are in urgent need of this legislation. Although Quebec may not take advantage of it, although Ontario may declare that it is standing on it own feet and is lending money at 5½ per cent and is not interested in a Bill authorizing the lending of money at 6½ per cent, I feel like taking the broader view that with respect to two of the Provinces of the West where there are farmers that we have brought in, we have a certain moral responsibility.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, I shall occupy your attention but a few moments. I do not think it is incumbent upon me to take the position of, or pretend to be, the sole exponent of the views of the Western Provinces on this subject. On the other hand, I have taken a very keen interest in this matter. Last year, in this House and elsewhere, I have publicly advocated a system of farm loans. The honourable gentlemen opposite (Hon. Mr. Dandurand) has taken what I think is a very statesmanlike attitude: he has spoken from the point of view of a member from the great metropolis of Montreal and has expressed the opinion that Canada as a whole should receive our earnest consideration. I am sorry that I do not find myself in sympathy and accord with the amendment proposed by my honoured Leader (Hon. W. B. Ross). With his usual charming frankness, and without any attempt at dissimulation or camouflage he has told us where he stands. I like that attitude. He has told us that he has never been in favour of the principle of interlocking legislative power as between the Provinces and the Dominion, and if his suggested amendment is adopted it will certainly give the quietus to this Bill.

The honourable gentleman has told us that he does not think the Province of Ontario will join in this measure. If it can get money cheaper than it can be possibly be lent in the West, it has no object in doing so, and what he says in that regard is probably true. The honourable gentleman also says that he is credibly informed by reputable men from the Maritime Provinces that they will not take advantage of this legislation. That disposes of four out of the nine Provinces. It would be presumption on my part to speak for the Province of Quebec, but I would be delighted to think that the Province of Quebec would come in if it had the option of staying out.

I remember the honourable gentleman from De Salaberry (Hon. Mr. Béique) saying that he hoped that the provisions dealing with another phase of the Act would bring in the Province of Quebec. I hope that may be the case. By adopting the amendment moved by my honourable Leader, I think we would be torpedoing the Act. I say, honourable gentlemen, if you do not want it to come into force at all, pass the amendment and the Act never will come into force.

The particular system of rural credit under this Bill does not appeal to me very much. In my opinion it is not at all an ideal system. However, it is a system of rural credits, and it is better than nothing, and I think half a loaf is better than no bread.

The demand for rural credits did not originate in the Province of Ontario, although apparently there was such a demand in that Province that the Government of the day adopted what is virtually a system of Government loans and that system has been sanctioned and carried on by the succeeding Government.

The system proposed under this Bill is immeasurably removed from the American system, which, with certain adaptations, is I think, a better system for this country. Another provision which vitally effects the operation of the Act is clause (b), which has been read to you and explained by the very able Chairman of the Committee. This clause is an absolute departure from the fundamental principle of the Act. The Bill as originally

introduced by the late Government—perhaps at the instigation of the Progressives—I care not whom—contemplated that the rate of interest should be uniform throughout Canada. That was fundamental.

Then we proceeded to make the legislation very much less desirable, I think, by dividing the country into water-tight compartments. The Provinces will be the units, and the rates of interest may vary in the different Provinces. In this there has been a radical departure from the Bill as introduced. I live in the West, and know something of conditions there from the point of view of the companies as well as from the point of view of the borrower. I know that in the West we cannot lend money as cheaply as in Ontario or perhaps in the Province of Quebec. Nevertheless, those of the East who speak generously and support this Bill out of national spirit are doing something to help us in the West who are struggling under difficult conditions. We ask generosity on your part. For my part I am ready to tax myself for the institution and development and maintenance of industries in the East out of which we in the West receive directly no return. I ask you to be generous on your part and to make the rate of interest uniform.

I want to say of the Chairman of the Committee, of which I happened to be a member, that he, with his usual fairness, provided everybody with an opportunity of presenting his view. But when a great public measure of this kind is under consideration, may I be permitted to say that I think we should have called before us not only those opposed to the proposed legislation, but also those in favour of it. Vested interests sometimes become vested wrongs. I do not say that was so in this case, but I merely make the suggestion that the Committee, which was one of the most efficient that I have ever seen, might have given a better opportunity to be heard to advocates of the legislation.

Hon. F. L. BEIQUE: Honourable gentlemen, I knew the Northwest when there were in it only Indians and a few thousand Metis. I have seen that country grow very rapidly, and have followed its growth with interest. I visited the Northwest on several occasions, and must confess my surprise to have heard in the Banking and Commerce Committee that there are now 250,000 farmers in the Northwest representing very large interests They have spent, in building Provincial elevators alone, $85,000,000, we were told, apart from the very large amount of capital that has been spent on terminal elevators at the head of the Lakes, at Vancouver, Calgary, and elsewhere. This opens a view of the progress that we may expect from that part of the country.

As a resident in the eastern part of Canada, I sometimes find that our western friends are somewhat exacting, but I think they are entitled to the sympathy of eastern Canadians. I have so expressed myself in Committee. I would go a long way to satisfy them in any reasonable demand, and I think that course would be the best to promote national unity in this country.

I might say, in passing, that I had made up my mind to make a suggestion during this Session which possibly might help national unity. If I am here next Session I propose to do so, but our Session has been so short, and so abnormal in some respects, that I did not think it was the proper time to make my suggestion.

Now, what evidence had we before the Committee? We learned that, as far as Saskatchewan is concerned, that Province has been able to loan $10,000,000, and it could have loaned $50,000,000 or $100,000,000. That shows that it had not enough capital to meet all the requirements. We were told that for the last two or three years the organization in Manitoba was able to obtain from the local Government only the paltry sum of about $500,000 a year, when there were demands for millions. I think we had evidence to the effect that in Alberta the Government is not now in a position to supply the necessary capital to provide for these long-term loans.

Agriculture in the West has become a greater feature than in the East, and has grown to be a real live industry that requires capital to properly feed it. I think it is but fair that every one of the Eastern Provinces should be in full sympathy with that need of the West. I stated in Committee, and I repeat, that as far as I am concerned, although I know that the farmers in my Province are not large borrowers, and that their farms are not mortgaged, as a rule, I will make it my duty to try to impress on the members of the local Government the advisability of joining in this scheme, if only for the purpose of creating national unity, and helping the further development of agriculture in the West. Such a step would also be a lesson for the East, and help to develop agriculture.

I consider further that this questions is connected with the problem of immigration, and therefore the Eastern Provinces are interested in joining this organization if only to help the immigration, so as to secure larger numbers than are now coming.

The honourable member from Moose Jaw (Hon. Mr. Willoughby) has criticized clause B of the Bill, for which I am responsible. Knowing the sound judgment of the honourable gentleman, I speak with a great deal of diffidence, but I cannot accept his view as to the effect of that clause. I think that this amendment (b) will facilitate the joining of the eastern Provinces in this scheme, and that it is only just. The honourable gentleman spoke of the United States, and his references were very fair. The fact that the farmers in the United States have organizations of this kind is a good reason why we should try to help in the creation in Canada of a similar organization, which would tend to reduce the rate of interest. As the honourable gentleman will no doubt agree, the cost of operation will be much reduced by a large volume of loans, and the scheme, by providing for long-term loans, will have the effect of inducing thrift in the country. The honourable member loses sight of the fact that in the United States, where there are a number of organizations of this kind, made up of different banks, the rates of interest are not at all uniform. In some States the rate is 4¼ or 4¾, while in other States it is 5½ per cent.

My object in drafting that clause was to make the Bill as flexible as possible. The clause does not necessarily mean that rates of interest would be different in the different Provinces. They may be the same if the Board deems that advisable, because in the eastern Provinces the difference of interest will be made up to a certain extent by the dividends received. I think that what we should look to is principally the creating of a scheme which will appeal to all the Provinces and be the means of reducing the cost of operation. This can be done only by making the loans so large in volume that instead of the cost of operation being 1 per cent it may be reduced to ½ per cent, as we were told is taking place in some Provinces.

Right Hon. Sir GEORGE E. FOSTER: Will my honourable friend allow a question? In the Committee, as here, I gave all possible credit to my honourable friend as to his intention in moving this amendment, which carried in the Committee. But I wish to ask this question ere you have one body into which both Dominion and Provincial money goes; it is sufficient for the moment to consider that Dominion money goes into it. Now, if the branch of that body in Saskatchewan offered a loan of $1,000 at a certain percentage, could the similar body in Quebec or Ontario offer a loan at some lower rate, say 7 or 6 per cent? If so, does that not immediately cause discontent, and raise the question: "Here is a Dominion subvention going into a scheme, and money is loaned out to farmers in one Province, who are charged so much, while farmers in another Province are charged so much less." Now, will you put the rate at exactly the same figure in one Province as you will in another, so that the farmers in the various Provinces will be put on an equality as to rate of interest? If my first question is answered in the affirmative, I have my answer on that point; but, all the same, the difficulty with me, if I am right in my impression, is to see how the scheme will be worked out so as to be equalized, and not cause discontent in the different Provinces.

Hon. Mr. BEIQUE: As I stated a moment ago, that condition of things—the difference of interest—has been dealt with in the United States on a large scale, and the plan has not created discontent. I have not the figures by me, but I could give them. I hope that the Board will see its way to make the rate uniform, and find the means of securing, through dividends, the equality or fairness which should be applied to all the Provinces. I do not expect that it will be a cause of discontent. The object of my clause, as stated in the clause itself, is to make it the duty of the Board to work out this scheme equitably for all the Provinces. Nobody can take exception to that. There is a common interest, which is the reduction of the cost of operation. There is another common interest, which is the retention of a large amount of capital to satisfy all the requirements of the several Provinces of the Dominion. I think that should make for unity, and for satisfaction of all parties concerned.

Right Hon. Sir GEORGE E. FOSTER: Now that my honourable friend has answered both my questions, I see his point. I only hope that, when the Board comes to work out that method by which the equalization is done, they will have the services of my honourable friend at their right hand.

Hon. Mr. GORDON: Honourable gentlemen. I do not care to vote on this Bill without first telling the House what I think. There is no member in this House who has a monopoly of sympathy for the Northwest. For my own part, I look upon Canada as Canada, not Eastern Canada or Western Canada. Anything that helps out any one part helps the whole. But so far as this kind of legis-

lation is concerned, I have my doubts; it is paternal legislation, I think, and not of a good sort.

So far as I know the Provinces, and I know the whole of them, they have all fairly good credit. They can all borow money to-day at fairly low rates of interest. The difference in the rate for loans made by the Dominion Government and the Provincial Governments is not so very great at the present time. I do not see why it would not be a better system for each of the Provinces to attend to its own wants in relation to the ideas which this Bill seeks to carry out.

I can understand a rich parent being indulgent with his family, and loaning or giving them money so long as he has it. It seems to me that by a good many people, sometimes members, even those in this House, Canada is looked upon as a cow that produces money. Such persons give no thought to the great national debt under which we are labouring all the time, or to the immense taxes which we have to pay. If this were a matter of the Dominion coming in with help because the Provinces could not help themselves, I would be the first to give it all the support which I could; but when I know that each of the Provinces can borrow money practically as easily as can the Dominion, I have my doubts about the result.

Some fears have been expressed that there is no chance of all the Provinces giving this measure their support. It has been intimated that several Provinces will not come into the scheme; and if they do not come in, that appears to me to be a block against the passage of the Bill.

Hon. Mr. WILLOUGHBY: Block, or blot?

Hon. Mr. GORDON: Both. It has been stated here, and I heard it also in the Committee—although not a member of that Committee I was present—that billions of dollars more could be lent in the West than were being lent One gentleman said that if they had $100,000,000 they could lend it out. I ask my honourable friends here, particularly those who have anything to do with the loan business, if that situation is not reflected all over the Dominion of Canada and every other country in the world. It is a very simple thing to lend money; it is as easy as falling off a log; but getting it all back is a different thing. A witness before the Committee said that by lending out $100,000,000, as they could have done, the cost of handling the money would be very much reduced. I agree that he is correct if there are no losses; but you all know what happens with banks and other institutions who lend money recklessly or place it so that it is impossible for them to get it back. I believe that the reason why the provincial governments have not handed out more money through their own lending organizations is, not that the money is not available, for, as we all know very well, they can command millions to-day; but the reason why they are not lending out millions of dollars is that they know a great deal of the money would be hard to recover. They know that, but I am sorry to say that there are many persons in Canada who apparently think that so long as the money comes out of the Federal Treasury it does not matter whether it ever comes back or not. I think that the sooner we take a detached position and look at these things from a purely business point of view, the sooner will Canada get upon its feet, and the sooner will our taxation be reduced.

I have a rather peculiar feeling over this situation which has arisen from the amendment introduced by our honourable leader (Hon. W. B. Ross). I did not anticipate that amendment; I knew nothing about it; but I intend voting for it, because, even if this Bill is killed, while the West might regard our action as unsympathetic, I believe that eventuall it would turn out better for both the East and the West. At the same time I am not sure that under the circumstances I would like to do anything to kill the Bill.

Hon. G. D. ROBERTSON: Honourable gentlemen, having been forced to decline to permit my name to be recorded as that of the seconder of the motion, I should say why. Briefly, my reasons are these. The Provinces are units which are recognized in many respects, and ought to be recognized, I think, in this instance. My mind goes back to twenty years ago and the conditions then prevailing in the West. Every year during the last twenty I have been privileged to visit Western Canada. I made my first little investment in the West twenty years ago last month, when interest was at 12 per cent in that part of the country. There was a strip of practically virgin prairie 400 miles wide and 300 miles long, and that had to be developed by capital from the outside, because capital did not exist within that territory, now comprised in the three Prairie Provinces. To my mind this legislation simply extends the credit of the Dominion of Canada to the people of those three Prairie Provinces, who are young and who have not as yet within their own boundaries the capital necessary for the carrying on of the necessary development.

Hon. Mr. GORDON: Would the honourable gentleman permit me a question there? Have they no credit now, without this endorsation?

Hon. Mr. ROBERTSON: I will come to that. Therefore it is proper that the Federal Government should do what it can to assist those three provinces just as it should do what it can to assist any other part of Canada by extending credit. My honourable friend (Hon. Mr. Gordon) has just asked whether the Provinces concerned have not ample credit. They have a limited credit, according to the evidence that has been submitted to the Committee, but it is, I think, true that money could be raised by the Federal Government and lent at a better rate of interest than the Western provinces themselves are yet able to obtain, although their situation is improving. Surely Canada must be regarded—

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

Hon. Mr. ROBERTSON: Will my honourable friend pardon me? No one interrupted him. I will answer the honourable gentleman's questions later. Surely the Dominion of Canada must be regarded as a unit, so far as Dominion legislation is concerned. In this legislation, as in many other measures enacted in years past, especially in recent years, it is intended to offer aid to the provinces in carrying on work necessary to them, though perhaps more necessary to one province than another. The Technical Education Act, the Good Roads Act, the unemployment assistance that was given in 1920, during those few years of business depression—all were Acts of the Federal Parliament to assist the people of the provinces to meet their special needs as conditions proved to be necessary. I feel that the same principle is embodied in the Bill now before this House. I heartily endorse, and intend to support, the recommendation of the Committee, because it was arrived at after most careful investigation. I do sincerely object to the idea of declaring that we must link up the majority of the provinces before dealing with any one, and I earnestly hope that my honourable leader (Hon. W. B. Ross), like the honourable member from Winnipeg (Hon. Mr. McMeans), will see fit to withdraw his motion after it has been debated.

Hon. Mr. GORDON: My honourable friend probably has some information that I have not. He has just stated that it was shown in the Committee that the credit of the provinces was limited. Now, to what extent?

Hon. Mr. ROBERTSON: My honourable friend the leader on the other side (Hon Mr. Dandurand) intimated that a gentleman named Fraser made the statement—and I fancy every member of the Committee heard him—that if his province could have had $100,000,000 to lend, or could have had credit to that extent, they would have been able to lend that much money; but they could not lend it because they did not have it.

Hon. Mr. GORDON: But he did not mention the credit of the province.

Hon. Mr. ROBERTSON: That was the implication, obviously.

Hon. Mr. McLEAN: I would like to ask the honourable gentleman a question. If losses occurred on loans to the provinces, would the provinces have to make them good to the Dominion?

Hon. Mr. ROBERTSON: My understanding of that point is that the amendment of the honourable member from De Salaberry (Hon. Mr. Béique) makes the provinces responsible for any loss.

Hon. Mr. WILLOUGHBY: As a unit.

Hon. Mr. ROBERTSON: As a unit. That is another reason why you cannot very well merge four or five provinces in a matter of that sort, because there might be a loss in one province and not in another.

Hon. J. S. McLENNAN: Honourable gentlemen, the course of this discussion seems to show the inconvenience, even where the idea is to gain time, of having a Bill go to Committee without our discussing its principle. Here we are in the final stage discussing the principle of the Bill after very careful attention has been given to the details of it. It has been thoroughly well thought out in Committee; yet that fact does not seem necessarily to alter the attitude of any honourable member on the question whether or not this Bill is a judicious and proper one.

I am not going over the series or arguments against the Bill. I would like to say, in passing, that the amendment just moved by the honourable member from Middleton (Hon. W. B. Ross) may seem to imply either a malignant desire on his part to injure some of our fellow citizens, or a certain degree of ignorance; but I do not think any of us would attribute to him either one or the other. Here is a Bill providing for assistance to those provinces—two in particular—in which there is a desire for such assistance. Some of the Provinces have intimated their intention not to come into this scheme, and in other Provinces the need of helping the farmers in this way has been satisfied by Provincial machinery which, as has been shown, I think, by

all the evidence heard, is working well. The Dominion assistance to those Provinces which really need it involves a certain expenditure on the part of the other Provinces. Though assistance may be needed mainly by two Provinces the seven other Provinces pro tanto must contribute through the Dominion Treasury for the support of this scheme. It does not seem to me at all unreasonable that before the proposed contribution is made from the Dominion Treasury to the Provincial Treasuries the majority of the Provinces should be in favour of that aid, and should want it. Apparently six or seven of the Provinces will have to contribute for the benefit of the fewer number of Provinces who really want this aid or some assistance in carrying out schemes which they already have. I feel that the honourable member for Middleton is not making an unreasonable claim in his motion. With all the sympathy which everybody has for the West, I think it is a question whether the proposed plan is not an improvident method—a method based on false premises as to the relations between the Federal Parliament and the Provinces.

It is not a question of taking up details. For example, we had one honourable member, who is not at present in his place, speaking the other day of the absolutely hopeless burden of the farmer who had from $5,000 to $7,000 of debt. How sound is the judgment of the honourable member from Assiniboia (Hon. Mr. Turriff) I need not discuss at present. I do not always agree with the honourable gentleman, but his long life in the West has certainly given him an intimate knowledge of that country. However, from the number of successes of which we know, I thought the honourable gentleman was overstating the case. At all events, he urged that great latitude should be allowed as to the purposes for which the loans should be approved and the money spent. The Bill, as you remember, provides that the proceeds of a loan may be used for the purchase of land, fertilizers, seed, live stock, farm buildings, etc., for the discharge of liabilities already accumulated, and for other purposes. Well, with the exception of land and probably drainage, there is not one of those items the value of which would not have disappeared long before the expiration of the thirty-two years, the term on which the system is based. Seed and fertilizer are obviously of short value to land. By the dispensation of Providence the borrowed money spent for such purposes might be lost; but even if the investment of money in such items proved successful their value would all have gone long before the end of the thirty-two years. The value of most buildings such as anybody in the West or in the greater part of Canada would put up is largely gone before a whole generation has passed away.

What I would have liked to see would be that the Dominion Government, if its finances permitted it, would in any Provinces where there was a real desire undertake to buy from them long-term farm mortgages, under proper regulations—under such regulations as are provided in the Bill as we have amended it. That would be, in my opinion, preferable to the present proposal, which I believe to be unsound constitutionally and in practice.

Hon. W. A. BUCHANAN: Honourable gentlemen, I would like to place emphasis on a feature of this Bill which I think has been overlooked. I speak of it particularly in its relation to Western agriculture. The loans provide not only for the purchase of land and the erection of buildings, but also for the purchase of live stock. We have been advised in Western Canada, and, I think, quite properly, especially since the depression in wheat raising in recent years, that the farmers in order to stabilize agriculture should engage in mixed farming as much as possible, particularly in districts where it can be profitably practised. That part of the Bill appeals to me very strongly, because I believe that if agriculture in the Western Provinces is to develop properly, mixed farming must be adopted, and under present conditions it is almost impossible for farmers to secure from the banks or from the ordinary loan companies the assistance necessary for the purchase of live stock. If this Bill is of assistance in that respect it will greatly enhance the wealth of Western Canada and of Canada as a whole.

I do not know whether honourable Senators are aware of the fact that the province of Alberta, which twenty years ago, at the time it became a Province, was importing most of its dairy products, is to-day exporting dairy products not only to other parts of Canada, but across the Atlantic to Great Britain and also to Asia. In dairy production it stands to-day as the third Province in the Dominion of Canada. This progress is due to the fact that the farmers in Alberta have adopted mixed farming in most districts. There are other sections where probably the loan companies have made their greatest losses. While I sympathize with the loan companies, I think they did make a mistake in being too free with their loans in areas where agriculture had not been fully established. The bulk of their loans have not been of that character, but there are cases even in those sections of Alberta and Saskatchewan

known as the dry areas, where the farmers have been able to carry on and meet their obligations, not because they confined themselves to the raising of wheat, but because they had cattle and hogs and other live stock to depend on. So I say that if this measure encouraged the farmer in no other respect than in the borrowing of money for the purchase of live stock, it will assist in the development of mixed farming in Western Canada, and will add to the wealth of Canada as a whole. I am very strongly in favour of the Bill primarily on that account, and would be very sorry to find it limited in its application. I think its benefits should be available to the Provinces that want to take advantage of them, and, as long as there are proper safeguards in its administration, I do not think we need have any fear of the loans which will be advanced.

Hon. H. W. LAIRD: Honourable gentlemen, I happened to be temporarily out of the Chamber when the amendment was moved providing, I understand, that the Bill should not become effective until five Provinces had entered into co-operation under it. I feel that the importation of that amendment into the Bill is going to seriously affect its efficiency, and, in fact, its whole purpose, and I would far rather see a straight vote on a motion for the six month hoist.

In approaching this matter, the question to my mind is this: is there a demand for what this Bill provides? Now, I do not think there can be two answers to that question, and particularly from the members of the Committee who attended the meetings when this matter was under discussion. Honourable gentleman will remember that we had before that Committee experts—loan company men, and Government officials operating similar schemes in the Provinces—and the whole question from first to last was thoroughly discussed and dissected; and, while I am not in a position to speak for every member of the Committee, I can speak in a very pronounced way for myself at least, and say that there were no two opinions as to the advisability of the scheme.

I want the House to bear in mind that the Bill pertains peculiarly to the Western Provinces. The first thing we have to remember is that we are dealing with a pioneer country, a country that everyone is desirous of building up. And what is the first essential of a pioneer country? Is it not capital with which the people of that country can enlarge their operations and carry on efficiently and as cheaply as possible? That, I think, is one of the first elements. Now, under this scheme are we meeting that demand?

The second element that we should bear in mind is that we are adopting a new principle in meeting the demand. Up to the present time we have had loan companies operating in the Western Provinces and lending money to the farmer on a certain percentage of the value of his property and for a term of three or five or six years. Under that system there are due each year interest payments and certain instalments of principal. Everyone who has lived in that western country knows the difficulty the farmers have to contend with in sections where conditions are not as stable as they are in other parts of Canada. They have difficulties in meeting not only their annual payments of interest, but instalments of principal as well.

Now, the scheme embodied in this Bill adopts the amortization plan. That was explained to us very fully in the Committee by men in charge of the systems operating in different Provinces. It was shown to us that whereas a man borrowing money to-day and in the past at 8 per cent—and everyone knows that the prevailing rate in the West has been 8 per cent or higher—had to pay $80 a year per thousand for that money, and in addition instalments of principal, while under the amortization plan embodied in this Bill he pays $76.20 per thousand over a period of 32 years, and at the end of that time the whole debt is wiped off, including principal. That is the basic principle of this Bill, and it is that which gives a farmer a chance to make a living for himself and his family and to improve his property and put it upon a good basis.

Now, is there any question about the demand? Ask the farmer whether he would rather pay $80 a year in interest, and have to meet the principal at the end of the period, or whether he would rather pay $76.20 for 32 years? What would he say? The best evidence of that is the fact that the gentlemen from Manitoba and Saskatchewan stated that they could lend a very lage sum of money—one of them said $100,000,000; but I think perhaps he was speaking figuratively and was implying that he could lend a great deal. But, taking his figure, we are not compelled to lend $100,000,000. Under this scheme the Government can lend as much or as little as it thinks proper and right. That is a matter over which they have full control. I say there is a demand. This is a new country that we want to open up and develop, and the demand is great because there is a new principle which enables the farmer to pay off his loan and principal and improve his position.

Now, let us go further. Can this demand be supplied without loss to the public treasury? That is another factor in this bill. We are not lending this money on chattels, the experience of the Provincial institutions that lent money on chattels was not very satisfactory: there were enormous losses, and you can easily understand why. But the experience of the gentlemen who appeared before us was that when money was loaned on a 40 per cent or 50 per cent basis of the valuation of the land, the scheme had operated successfully, and the gentleman from the Province of Saskatchewan says that if their institution were wound up to-morrow they would be able to pay all their debts and show a large profit. We are not giving anybody anything for nothing. The question was asked whether the public in borrowing money from the Government, or what was understood to be a Government institution, would take advantage of that fact, and whether the collection of repayments would be difficult. We were told by the gentlemen conducting these loaning institutions that at first there was a disposition on the part of persons who had borrowed money to pay other debts first, on which they were liable to pay interest at 10 or 12 per cent; but when the borrowers became aware that the interest payments and the principal of the loans had to be met when due, there were no more payments in arrear on the Government loans than there would be on the loans of the regular loan companies. And the gentlemen who made that statement had operated with private companies before undertaking the Government schemes.

We are not giving anything away. We are providing facilities whereby this country can be developed. This is being done by means of a new principle of loaning without any loss or probability of loss to the public treasury. If that is the case, what are we here for? Are we here just for the purpose of administering the day-to-day affairs of the people? If that is so, we do not need the large Governmental machine that we have. Is it not a fact that the Government is expected to lead the way in schemes for the development of the country? Here is a scheme that has been adopted in the United States on a larger scale than here. It has been tried in the Provinces. The Government comes forward with this, and are we going to say that the functions, the natural activities that pertain to government are not to be carried out? What are we here for if we do not endorse schemes which are carefully thought out and which have a basis in sound business such as this has?

I submit that it is quite possible that you will not get five Provinces to go into this scheme at first. You may not get three. They will go in one by one. I have not the slightest doubt that when this scheme is laid before them, the Western Provinces will go into it, and if it is a success probably some of the other Provinces will go in as well. In any case we will have performed our duty in providing the facilities to enable the people to help themselves and thereby to help the country.

The honourable gentleman from North Bay (Hon. Mr. Gordon) made the suggestion that this was the case of a rich father handing out doles to his family. I do not think that is a correct analogy at all. In this case all the family are interested, and by helping one member of the family we help all. No honourable gentleman in this House will deny that if we increase the prosperity of the people of Western Canada, increase our natural wealth, and make it possible for a large population to settle in the Western Provinces, that advantage will accrue to every other member of the family of the Dominion of Canada. I am intensely in earnest in my support of this Bill, and if the honourable the Leader of the Opposition—

Hon. Mr. DANDURAND: Of the Government.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. LAIRD: I am not accustomed to the new condition yet. If the honourable Leader of the Government would even vary his conditions and say three Provinces instead of five, it would not be so bad. However, I would like to see no limit whatever. Let us try this thing, and if it is a success the country will get the benefit of it; if it is not, it can be abandoned.

Hon. L. McMEANS: Honourable gentlemen, I do not desire to take up time discussing the clauses of this Bill, as I would like to see it receive its third reading before prorogation. I regret very much that the Leader of the Government—I understand the Government was defeated about five minutes ago—has seen fit to introduce this amendment.

Hon. Mr. DANDURAND: I draw attention to the honourable gentleman's question of last week. What would he do if the Government was defeated?

Hon. Mr. McMEANS: I have not yet succeeded in getting an answer to that question.

Hon. W. B. ROSS: I am going to withdraw my motion.

Hon. Mr. McMEANS: Then I will sit down and retire.

Hon. W. B. ROSS: With the consent of my seconder I am withdrawing the motion, but in doing so there is one word I want to say. The motion does not necessarily kill the Bill. If the majority of the Provinces of Canada are in favour of it, it will live. That is what it was for. If there was not a majority, then of course it was to die. If words mean anything, that is what the motion meant. The real truth is that it grew out of the motion of the honourable gentleman from De Salaberry (Hon. Mr. Béique), who altered the Bill with a view of making it open to all the Provinces to come in. When I came to understand his motion, then I said the logical conclusion was that if the majority of the Provinces would not come in, it should not go. As it is now you are passing a Bill that binds nine Provinces, and you do not know whether more than two or three care to have it. But, after the expression of opinion here, I think it is only wasting time to permit the discussion to be prolonged, and with the consent of my seconder I withdraw my amendment.

Hon. Mr. BEIQUE: The Provinces may be induced to come in gradually.

The amendment of Hon. W. B. Ross was withdrawn.

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

Hon. G. G. FOSTER: Before we leave this subject, I would like to move that the important portions of the evidence adduced before the Committee should be printed, and that 500 copies be made available for distribution.

The motion was agreed to.

CRIMINAL CODE BILL

CONSIDERATION POSTPONED

On the Order:

House again in Committee of the Whole on Bill 153, An Act to amend the Criminal Code.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: Would my honourable friend take that Bill?

Hon. W. B. ROSS: Either the honourable gentleman or myself can take it, and move it over until Friday; discharge the Order of the Day. I move that this Order be discharged, and placed on the Order Paper for Friday next.

The motion was agreed to.

BUSINESS OF THE SENATE

Hon. Mr. WILLOUGHBY: I presume it is the intention now that we go on with what is called the Campbell Bill, No. 8, to-night?

Hon. Mr. DANIEL: That will come on at 8 o'clock, in the Banking and Commerce Committee.

Hon. Mr. DANDURAND: Before the House is adjourned I would like to draw the attention of this Chamber to the fact that the ministerial measures that were to reach this House under the late Government practically all reached this Chamber last week. There is a Bill to enable the Harbour Commissioners of Montreal to borrow $12,000,000, which is still in the other Chamber; also the Supply Bill.

I rise in order to draw the attention of my good friend from Boissevain (Hon. Mr. Schaffner), who complained last week of some dilatoriness on the part of the late Government in bringing in legislation, and he was warmly supported by the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster). I could perhaps have stated that the Government did not deserve that criticism, because at that very moment there was on the Order Paper only one Bill, a Government Bill, which was down for its third reading—the one which we have just passed. I think my honourable friends had perhaps in mind the Grain Bill, but they neglected to notice that that was not a Government Bill; it is a public Bill, but it is promoted by a private member.

I make this statement inasmuch as we are at the end of the work which was presented as it came through my hands in this Chamber, in order to set right before this House myself and my late colleagues in the Government. I think that we had done pretty well, and that those recriminations did not fit in with the Orders before this House, there being only one Government Bill, which had reached its third reading, and which we passed.

Hon. Mr. LAIRD: Of course, you did not have many Government Bills.

Hon. Mr. DANDURAND: At all events, we were not late in presenting them, because we had dealt with the Rural Credits Bill quite fully in Committee, and at the third reading. I simply mention this because since 1867 Governments have so often been reproached for bringing in legislation late that I think I owe it to the late Government to say that in this instance we did not deserve such criticism.

Hon. Mr. SCHAFFNER: Let bygones be bygones.

Hon. W. B. ROSS: We were three or four months waiting before anything came over from the other side at all.

Hon. Mr. DANDURAND: Yes, but we are not keeping the Commons waiting now.

Hon. G. D. ROBERTSON: All that was suggested was that my honourable friend's late colleagues were late.

Hon. W. B. ROSS: I move the adjournment of the House.

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

THE SENATE

Wednesday, June 30, 1926.

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

Prayers and routine proceedings.

CANADA GRAIN BILL

REPORTED FROM STANDING COMMITTEE

Hon. G. G. FOSTER presented the report of the Standing Committee on Banking and Commerce on Bill 8, an Act to amend the Canada Grain Act.

He said: Honourable gentlemen, before I submit to this Chamber the report that has been made by the Banking and Commerce Committee, with regard to what is commonly known as Bill No. 8, to amend the Grain Act, I am asked by the Committee to make to this Chamber the following explanation.

Immediately after this Bill was referred to the Committee we met and decided upon securing a certain line of witnesses in order that the Committee might be apprised of certain important features of technical and other evidence, with which they were not familiar. We have held ten sessions, which, it is only fair to say, have been attended diligently by a very large majority of the members of the Committee, and a large number of members of the Senate who are not on the Committee, showing general interest in the line of evidence that was adduced. Having in mind the interest that was taken, and the short time that there is before prorogation, the Committee decided that it was practically impossible to place before this House in printed form the evidence that was brought before it, and that it should leave to those who are advocates for and against the Bill to explain to this Chamber the details of evidence that was considered important for their consideration.

The following witnesses were examined by the Committee at the ten sittings, giving their views for and against this legislation, and explaining to the Committee the practices of the grain trade with regard to shipping and marketing, as under the former Acts, and the Act now in force, and also the effect of the proposed legislation:

Mr. T. J. Murray, Barrister, Winnipeg, representing The Western Wheat Pools.

Mr. Robert Magill, Secretary, Grain Exchange, Winnipeg.

Mr. Colin H. Burnell, President, Manitoba Wheat Pool.

Mr. Isaac Pitblado, Barrister, Winnipeg, representing the Grain Trade.

Mr. James Dougall, representing the Canadian Pacific Railway.

Mr. J. G. Ross, M.P. for Moose Jaw.

Mr. John Evans, M.P. for Rosetown.

Mr. W. R. Fansher, M.P. for Last Mountain.

Mr. John Vallance, M.P. for South Battleford.

Mr. H. E. Spencer, M.P. for Battle River.

Mr. Leslie H. Boyd, Chairman, and Messrs. Matthew Snow and James Robinson, Commissioners, of the Board of Grain Commissioners.

On clause 1 of the Bill, the point at issue between the parties may be briefly summarized as follows:

The farmers' organizations claim that under the law in existence prior to 1925 any farmer in the Prairie Provinces who wished to ship a carload of grain had the legal right to select any terminal elevator to which that grain should be shipped. They also claimed that in practice they exercised that right to a considerable extent. On the other hand they claim that by the amendment passed to the Grain Act last year, the farmers of Western Canada were deprived of that right. By the Bill now under consideration they come again to Parliament and ask that the rights, which they claim were previously enjoyed by them, be restored, and that the draft Bill submitted to Parliament last session by Mr. Justice Turgeon, Chairman of the Royal Grain Commission, should become effective.

On the other hand, those opposed to Clause 1 of the Bill, contend that under the legislation in existence prior to 1925 the farmers did not have the legal right so claimed, and that the practice whereby farmers designated the terminal elevator to which their grain was sent, was only exercised without legal right and to a very limited extent. They further

claim that the legislation of last session on this point merely confirmed the rights the elevator companies had hitherto enjoyed. They now hold that clause 1 of Bill No. 8 should not be approved because they believe that if passed it will give to the farmers of the West a statutory right which they did not enjoy.

The farmers claim that as a matter of public policy and in the interests of the grain growers they should have the right to control absolutely the handling of their grain with a view to securing the largest possible return therefrom. On the other hand, the Grain Trade take the view that, as there is invested some eighty-five million dollars in country elevators, terminals and other plants, if this legislation passes, this investment will be prejudicially affected.

The Committee, having come to the conclusion to report the Bill without a recommendation in reference to clause 1, decided that the same course should be adopted as regards clause 2, and that both clauses should be left to the decision of the Committee of the whole House.

The evidence which was adduced before the Committee was, as honourable gentlemen will understand, of a highly technical character, besides embodying differences of opinion. On general lines the Committee felt that those in favour of and those opposed to the legislation will be able, in the best possible manner, with the advantage of the evidence that has been adduced before them, to place before this House and the country the essential features of the evidence that was produced, and upon which this Chamber must base its decision for or against this legislation.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, the Committee having made no recommendation, I intend, after consulting with the honourable leaders of the House, and after being advised of the proper procedure, to move that the House go into Committee on the Bill. Before I sit down I shall make that motion. In the meantime I want to discuss the matter a little in the House.

Hon. Mr. DANDURAND: Could not the honourable gentleman wait until the Bill is referred to Committee of the Whole?

Hon. Mr. WILLOUGHBY: I think that if I discuss it now we shall be able to speed it up a little, because you will have heard whatever representations I may advance, however inefficiently, on behalf of the Bill.

We have had the pleasure and great advantage of a very full discussion in the Committee. We have heard the views of the organized grain trade, represented by the Secretary of the Grain Exchange and by my friend Mr. Pitblado, who dazzled us by the enormous number of grain companies and grain institutions that he represented, and for whom I have no hesitation in expressing very high admiration and respect. That high admiration of the argument of Mr. Pitblado is such as to imply that he could win in anything. Such are his gifts as an advocate, that I would be willing to entrust even the worst case to him, and I would find it well presented. He has gone on the assumption, and made the repeated assertion in his legal pleading, that the new Act virtually only confirms what was intended by the existing Act of 1912, and he analyzed the sections to show that the farmers never did enjoy by law—and he amplified his argument to show that they never enjoyed in practice—the rights that existed under the Act of 1912.

Now, with the permission of the House, I propose to analyze the sections that are operative under the old Act and in the new Act, and to submit the conclusion that the law is not as laid down by Mr. Pitblado at all—that in any event there is beyond peradventure another interpretation of the law justifying the position taken by the farmers. I submit that the law goes further, and absolutely justifies them in that position.

I am going to analyze these operative sections. Honourable gentlemen are all pretty familiar with them now, because we have had the very lucid argument of Mr. Pitblado, and also the propaganda of the grain trade. I may just say, in passing, speaking in the hearing of members of this House, that although I have had the honour of this Bill being entrusted to me, it was not an honour or responsibility which I sought, and I assumed it only after strong pressure, and since that time I have not canvassed any member of this House on the Bill. I took charge of it on the express condition that I would present the view of the promoters, but that I intended personally to use no influence on behalf of the Bill, leaving it absolutely untrammelled, and to be dealt with only in accordance with the views of the House.

Now, section 159 of Chapter 27, Statutes of 1912, is the governing section. Subsection 2 provides that the receipt, that is, the warehouse receipt given to the person delivering the grain—

> Shall state upon its face that the grain mentioned therein has been received into store, and that upon return of such receipt and upon payment or tender of payment of all lawful charges for receiving, storing, insuring, delivering, or otherwise handling such grain which may accrue up to the time of the return of the receipt, the grain is deliverable to the person on whose

account it has been taken into store, or to his order, from the country elevator where it was received for storage.

—now we come to the option question—

Or, if either party so desires, in quantities not less than carload lots, on track at any terminal elevator in the Western Inspection Division, on the line of railway upon which the receiving country elevator is situate, or any line connecting therewith, so soon as the transportation company delivers the same at said terminal, and the certificate of grade and weight is returned.

On that point I wish to emphasize the language of the governing section of the statute of 1912, which I have just read to you in part:

Or if either party so desires, in quantities not less than carload lots, on track at any terminal elevator—

—not at "a" terminal elevator, but at "any" terminal elevator.

Subsection 3 provides that in the case of a country elevator on the line of railway formerly known as The Northern Pacific and Manitoba Railway, or on any line of railway that was known as The Grand Trunk, if either party desires such grain to be shipped to a terminal point, it may be delivered on track at the proper terminal elevator at, or adjacent to the harbour at Duluth.

Subsection 4 provides that nothing therein shall prevent the owner of such grain, at any time before it is shipped to terminals, from requiring it to be shipped to any other terminal than as herein before provided.

These sections contain the option. Whatever this argument be worth, it is my own, and has been submitted to nobody, even the people whom I represent, for their suggestion.

The argument on behalf of the grain trade is, in short, that the farmer has the right to select the terminal elevator point, but not the terminal elevator. It is submitted that the interpretation placed by the grain trade on this section is not the true interpretation, and if the true interpretation—which is not admitted—it was, in practice, not the only interpretation. First, there is an election given to the shipper, under the words "or, if either party so desires". It is submitted that that election has not only to do with the choice of a terminal point, but also a terminal elevator. The language is wide enough to bear such an interpretation. It will be noticed that it provides for delivery after the election is made, in quantities not less than carload lots, on track, at any terminal elevator. It did not intend to restrict the generality of the right given to the farmer, or shipper; otherwise, the language is not appropriate, and the restriction should have been to "a" terminal elevator, and not "any" terminal elevator. I submit that the use of the word "any" in connection with the term terminal elevator, as under the proper construction of the words, presupposes the right of either party to a choice, on behalf of the shipper, to select his terminal elevator, and the obligation of the company is not discharged by delivering it at an elevator other than that selected by the farmer.

Under subsection 3, above quoted, the language again is such to bear out the argument that I have advanced. It provides that if either party desires such grain to be shipped to a terminal point, it may be delivered on track at the proper terminal elevator, at or adjacent to Duluth. That is the language when you come to Duluth or another point. It will be noticed that the words "proper terminal elevator" are used. If the election of the shipper was confined to a terminal point, and with no right to name the elevator at the terminal point, then the introduction of the term "proper terminal elevator" is unfitting, and the word "proper" should be struck out, and it would appear that it might be delivered on track at terminal elevator at or adjacent to Duluth. In the language of subsection 3 of section 159 the grain is to be shipped to a terminal point. The language is not "at a terminal elevator" but "at a proper terminal elevator." What does that mean? I submit that it is the one selected by the farmer at the beginning, bearing out the interpretation put on the earlier clause: "or if either party so desires."

It was said by those arguing on behalf of the grain trade, that that bore out section 159. The form of warehouse receipt given to the shipper is to be found in form "B" for storage of grain, not grain not specially binned. Form "C" provides for specially binned grain. Form "A" provides for warehouse receipts for cash grain, and does not enter into the argument because we are dealing only with carload lots. It will be found on examination of the storage receipt, both as to grain not specially binned and grain specially binned, that such warehouse receipt preserves the exact rights given to the shipper under section 159, subsection 2, above quoted. The warehouse or storage receipt as described follows exactly the language of the main section, namely, giving to the farmer the liberty to ship at such elevator as either party so desires. So the actual document that the farmer or shipper gets preserves the right as given to him in section 159.

It is contended by the grain trade that their interpretation put on section 159 is substantiated by section 161 and section 164.

I desire to analyze these two sections. As to section 161, that merely provides that if it is the intention of the shipper to deliver the grain at a terminal elevator point, the warehouse man shall deliver a certificate in the form provided under that section. It is submitted that this section in no way takes away the right given to the shipper to make his own selection. It provides only what shall be done in the event of the shipper desiring the grain to be shipped to a terminal point. Any rights acquired under the prior section 159, are not interfered with. Then, another section, 164, is referred to for the purpose of showing that it bears out the interpretation that the grain trade seeks to put on section 159.

Section 154 is invoked by the grain trade to show the rights of the company to ship it to any elevator selected by it, at any terminal point. This clause might, perhaps, give to the elevator company a right that it did not possess either under section 159 or 161, but the right can only be exercised if the elevator company gives to the shipper 48 hours' notice of his intention to ship the grain. Doubtless, this section is provided for the purpose of allowing the receiving elevator to function so that it will not become blocked, and it is submitted is exercisable, only where the farmer has made no selection, in which event it might be contended that the right of selection after 48 hours' notice has expired. This section confirms my argument under section 159 and shows one how it can be lost. That is the only clause, is my submission, under which there is any possibility of doubt as to the elevator company having the right of selection of the terminal elevator.

It is obvious and admitted that the rights of the shipper are apparently changed under section 150 of the new Act of 1925. Subsection 2 provides, in line 6, the following:

> The grain is deliverable to the person on whose account it has been taken into store, or to his order from the country elevator where it was received for storage, or in quantities not less than carload lots on track, at a public terminal elevator (unless otherwise mutually agreed), at such terminal point in the Western Division as the owner may specify.

This section obviously restricts any right on behalf of the shipper to select his terminal elevator unless such terminal elevator is agreed upon between him and the elevator company.

The amendment proposed by the Campbell Bill No. 8, provides a slight alteration only in the language of the old warehouse receipt, and eliminates the words "or if either party so desires," and specifies the words "or if he so desires," which by the context ob-

viously and admittedly restricts the right of choice to the shipper only. It is submitted that this carries out exactly what was intended by section 159 of the Act of 1912, but instead of the election as to the terminal point being given to both parties, it is given to the shipper only. This amendment follows exactly the recommendation submitted in the Draft Bill made by the Chairman of the Commission investigating the grain trade. In the report of Mr. Justice Turgeon, at page 106, he uses the following language:

> In this respect, however, care should be taken to see that nothing is done which will prevent the Wheat Pools selling agents from taking into their private elevators the grain provided by the members of the pool, or the organization on behalf of the members. According to the agreement entered into by each producer who joins the pool, the grain remains his own property until sold by the selling agency, and the producers are virtually doing their own mixing.

By the present Act, it is provided, under section 140, subsection 1, in part, that it shall be lawful for the organizations of grain producers known as grain pools, and incorporated in the provinces of Manitoba, Saskatchewan and Alberta, by acts of their respective legislatures, and any person or corporation which, in the opinion of the board, is empowed to act, and is in fact acting on behalf or in cooperation with them, or any of them, to operate private elevators and receive into such elevators grain shipped by such producers as are members of any one of the said grain pools.

It is submitted that when the pool is under contract, and has entered into contracts with any of the grain companies as their agents for the shipment of pool wheat the elevator company in question is the agent of the grain pool which he holds a contract, and that the contract must be governed, or was intended to be governed, in any event, by such contract, through such agent. The important amendment to the Grain Act sought by the present bill is founded on the Draft Bill submitted by the Chairman of the Grain Commission, and the restoration of the Draft Bill in the language of the Chairman of the Commission is all that is sought in the Campbell Bill, No. 8. In the Draft Bill, the Chairman, who prepared it, states opposite section 151 of the present Act:

> This section—

—now the section of the Campbell Bill—

> —corresponds to section 159 of the Act of 1912. The first change is made in the ninth line of section 2, where the words "if either party" in the old section are changed to read: "if he"—

That is, the farmer. This change is an important one; it makes clear that the owner

of the grain is the person who shall decide to what terminal elevator his grain is to be shipped. There is, therefore, no doubt whatever as to what was the intention of the Chairman of the Board, Mr. Justice Turgeon; and he states that he made the amendment in consultation with members from the Grain Commission when he re-drafted section 159.

So we have the finding of the Chairman of the Commission, a judge of eminent standing, saying that this only restores to the farmer the right he heretofore had; and he says he made that finding in consultation with the members of the Board. Did the members of the Grain Board, when they consulted with Mr. Justice Turgeon, not know the effect of the language which was going in the Draft Bill? Through the attitude they have taken they practically stultify themselves, and say: "We did not understand it." But there is the statement of Mr. Justice Turgeon, which has never been challenged before the Committee at any time. Now, I do not want to make any attack on the Grain Board; they are respectable gentlemen, performing a public function, and I do not want to say anything in this House that I would not say outside or anywhere else; but when they come down and damn this legislation which I propose to introduce, they practically confess that they did not know what they were about, and did not properly understand the section of which they had the draft, which Mr. Justice Turgeon says they approved, because it was prepared in consultation with him.

Now we come to the question of practice. Mr. Pitblado, representing the grain trade, urged that the practice contended for by him was in keeping absolutely with the law. I have dealt with the law. It is submitted that the facts do not bear out this interpretation. First, we have the evidence of four members of Parliament, farmers, who had shipped grain to the terminal elevators selected by them—and there were others who could not leave their duties in the other House—who stated that such right had never been denied, nor apparently questioned. One of them, who appeared, Mr. Vallance, stated that in 1924 the right was questioned to some extent, but finally was acceded, but that in 1925 it was refused.

It is urged that 98% of the grain had gone in the way advocated by the grain trade. If that percentage be true, it in no way affects the validity of the right of the shipper to say to what elevator his grain shall go. The force of this suggestion is merely increased by the development in the grain business. Prior to 1900, the volume of grain shipped outside of Manitoba was not large. The first Act was designated as the Manitoba Grain Act. In 1912, we find, owing to the rapid growth of grain production west of Manitoba, that the name of the Act, in order to correspond with the fact of the rapid growth, is the Canada Grain Act. Since 1900, and particularly since 1912, the Province of Saskatchewan has increasingly become a great producer of wheat. To-day the quantity produced in Manitoba has, I believe, declined, while the growth in Saskatchewan has steadily augmented, and to such a degree that grain growing in Saskatchewan to-day exceeds the wheat growing in all the rest of Canada together.

The farmer in the early days, in Manitoba, was comparatively near Winnipeg, and therefore nearer Fort William; consequently he was more in touch with the grain handling companies, and was in a position to negotiate his business personally. There were also two large farmer companies which grew into existence, the United Grain Growers of Manitoba, and the Saskatchewan Co-operative Elevator Company. The United Grain Growers, dating back to 1906, and the Saskatchewan Elevator Company a little later on. The United Grain Growers afterwards absorbed the Farmers' Company in Alberta, and became a very large organization. Both these farmer companies not only handled the grain of their own shareholders, but each had his large commission business in handling the grain of others as much as they could attract, and their commission business in each case was very large. I will not tire the House by giving figures, but there were a countless number of farmers who felt that they preferred their own farmer company to any other company.

Now, the Saskatchewan Elevator Company and the United Grain Growers sought at all times to ship the grain through their own agencies at terminal points, and in the end acquired large terminal facilities. The United Grain Growers, through their President, Mr. Crerar, have been extremely anxious to preserve the rights of shipping to their own companies. In other words, if a pool member put the grain in one of their country elevators, they want to make a profit on terminal handling for their shareholders just the same as any ordinary company. This would explain the attitude of Mr. Crerar respecting the use to be made of commissions in taking the strong attitude he did against the pools. His attitude was supported in 1925 by his successor in the leadership of the Progressive movement; but in the present year it is found that his successor has voted with those who desire the pools should have

the right which is sought in the Campbell Bill. Mr. Crerar's opinions are flaunted everywhere in support of the grain dealers' contention, and the opinion of his successor given in 1925 is also so flaunted, with the exception of the fact that the present leader of the Progressive party has changed the attitude taken in 1925 and is now a supporter of the action of the pool. Great emphasis is placed on the propaganda of the organized wheat trade in giving quotations from an address of Mr. Wood, Chairman of the United Farmers of Alberta, testifying on his part to the fair treatment he had received at the hands of the Alberta Pacific Grain Company. It is, I believe, quite true that the Alberta Pacific Grain Company dealt very fairly and generously with the Alberta Wheat Pool, but there were close personal relations between the manager of that Company and Mr. Wood. I do not intend to criticise, but this may well have caused the generous treatment by the Alberta Pacific Grain Company of the pool handling of grain in Alberta. However, at the present time, the fact is that the Wheat Pool of Alberta has by resolution supported the Campbell Bill, as has the Wheat Pool of Saskatchewan and also of Manitoba.

We had two very large farmer companies—and such companies are growing in numbers—both of which were shareholders' companies. The one in Saskatchewan in my own time grew from a very small beginning, when it received the sponsorship of the Saskatchewan Government, to large dimensions, and is now one of the great grain companies of the world. That company, like any other, made its profits by handling grain. It sought in every way to get the business of every shareholder of the company, and I have no doubt that in 99 cases out of 100 it succeeded. The farmer desired to patronize it. It was his company; if there were any profits made, and he was a shareholder, he got the benefit.

The same is true of the United Grain Growers of Manitoba. That is a shareholder company. Mr. Crerar, as president of that company, was vitally interested in the financial success of the company. He is a man that I highly respect. Primarily he was looking after the interest of his shareholders, and it was up to him to perform that function successfully. We are all pleased to know that he did succeed. The farmers up to that time had confidence in him. I will not say that they have not still. Mr. Crerar was speaking from the point of view of a shareholder company: he was in the same position sa any member of the organized grain trade that appeared before our Committee. He desired to make profits in the handling of grain at the company's terminals. We have not seen him this year; I do not think his voice would have been as potent in the Agricultural Committee of the Commons this year as it was last. This Bill went through the other House without anyone having the courage to test the opinion of the House, and it went through the Committee on Agriculture on a vote of 48 or 58 to 12, to speak from memory.

I say that in practice there were many reasons why the farmers in the old days were quite willing that the elevator companies should handle their grain through their own terminals. First, the pools had no terminals. The shareholders in the United Grain Growers and in the Alberta company and the Saskatchewan company had perfect confidence in the handling of the grain through their own terminals, and knew that they would receive a benefit in the way of dividends if there was any profit made on the transaction. The growth of the cereal grain trade has been enormous, it having increased from tiny proportions in 1900 to magnificent proportions to-day. Many of the grain companies dealt fairly with their customers at their country elevators. They wanted to attract custom; they wanted to satisfy the customers they had obtained at many points, and on the whole I have nothing to say against them. In the great majority of cases, I think they gave reasonable satisfaction to their customers. Up to the time the Wheat pool started there was no occasion for the farmer to urgently insist upon his rights; he had no other medium for marketing his commodity than the organized grain trade and the other agencies. If there were two or three elevators at the country point, he had to elect at which he would ship his grain, and he was quite content, I have no doubt, that it should go to the terminal of the company he selected in ordinary cases. But, because he allowed the grain to go to a company terminal when the only option he had was the choice offered by the country elevators, it would be absolutely illogical and unfair to argue that now, when he is in a position to choose another terminal, he should not do so.

I claim that under the Act as it stood in 1912 the farmer did have the right to choose his terminal. The language is ambiguous, it is true; but if either party so elects—surely, if the farmer says to the elevator manager, "I have a load of grain here, and I want it to go to a certain elevator," and the elevator man says, "That is not my elevator, I will send it to another elevator," and the farmer

says, "You won't do anything of the kind" —then we would have some evidence of practice. In the old days there was no occasion for any controversy; but the farmer has now reached a stage where he claims the rights that he had in 1912, and maintains that he is now in a position to exercise those rights and to make money out of the handling of his own grain. But the elevator companies say that they incur a risk now, and that they should get increased compensation. Under the new Act, as you know, if the farmer does not allow his grain to be shipped to the terminal elevator that the company desires to ship it to, the only other option he has is to load his grain at the track. The companies say that in shipping from the company elevator to the final terminal they lose in grades. It may be true at times, due to the competition among buyers and the desire to handle the grain, that the agent of the country elevator has been very generous in grades.

Reference is made to paragraph 20 of the Commission's report to support this view. It is desired that the House should know exactly what is stated there. "The facts show beyond dispute that country elevators lose, but the loss is due, apparently, to lack of expert handling on the part of the agents.

In some cases the Company expects its agents to over-grade until certain periods. The agents are naturally anxious to secure a good share of the volume of business available, and sometimes officials of the companies consent to a sacrifice in grain being made in order to increase trade, but this is exceptional. The general policy of a company is to impress upon their agents the importance of grading carefully and accurately.

No reference is made, however, by the advocates of the grain trade to the fact that the companies gain in weights. The draft report made this specific finding on page 20, as follows:

> While the country elevator loses in grades they gain in weights. The statistics of these companies for the last three years (and in the case of one company we have the forms, or figures, of five years) show a recurrence of these conditions year after year.

So, beyond any doubt—and I think this is the position taken by the companies themselves—although they lose something in grades due to the overzeal of the buyers at competing points, they gain in weight what they lose in grade.

Another argument is that the grain deteriorates in a country elevator. It is perfectly true that there may be a deterioration in grain due to heating or other reasons; but if it does deteriorate and is liable to damage other grain, the country elevator is given the right to sell it at public auction. The up-to-date elevator in the country is now equipped with thermometers used in connection with each bin, to show the temperature and therefore the condition of the grain.

Now, what do the companies lose in transit? What risks are they taking? At most they have to account to the farmer only for the amount of grain weight and grade taken into the elevator, and there is one-half of one per cent allowed for shrinkage at the present time, so they are protected in that respect. What are the losses that occur in transit to the head of the Lakes or to Winnipeg? One cause of loss is leakage, and the Act makes specific provision that if the inspectors at Winnipeg find leakage, they have to report it to the railway company, and the elevator companies which guaranteed the weight and grade would have a claim against the railway company that transported the grain.

It is said that the grain might heat in transit. I will not say that such a thing could not occur to some extent, but at Winnipeg the grain is all inspected, and if it is out of condition it is diverted and is not shipped on until it is further treated at an elevator there. So the risks in transit to Winnipeg are enormously magnified to create a bugaboo in the eyes of this House.

Now, what does the elevator company receive? Under a regulation of the Grain Commissioners the elevator company is paid 1¾ cents a bushel, and it can charge under certain conditions up to 2½ cents a bushel on specially binned grain. But the companies say they cannot exercise their right to charge up to the limit, because the farmer would resort to the loading platform. The loading platform, however, takes not more than 10 per cent of the wheat at the present time. If the loading platform is used it means that the farmer takes his grain to some station or country siding in wagons and puts it into the car, which is sealed, and off it goes. In my opinion loading over the platform will greatly diminish rather than increase with the growth of the pools. It represents, at most, 10 per cent. What does the farmer escape by resorting to platform loading? The 1¾ cents a bushel which the elevator used to charge for everything except specially-binned grain. For 1¾ cents a bushel the farmer takes upon himself these appalling risks that the grain company is fearful of having imposed upon it, and the farmer himself ships that grain without insurance. I will not say that it is shipped without insurance in all cases, but it is in 99 cases out of 100. The farmer takes his risks in putting the grain into a public conveyance,

namely a grain car, and shipping it to the head of the Lakes. If there were any really serious difficulties or losses experienced by the elevator company in the shipment of grain from the country elevator to the terminal 800 or 900 miles away, would the farmer, for the sake of 1¾ cents a bushel, take such risks upon himself? Yet the grain trade tell us: "If you increase that rate from 1¾ cents a bushel you will drive the farmer to the country platform." I submit you would not do so to any greater extent than is done at present. It is manifest that the farmer, the man who owns the grain, is perfectly willing to take the assumed risks of deterioration of the grain, of loss in grade and of dockage; and it is an obvious deduction that in order to scare us those risks are hugely magnified by the advocates of the grain trade. They can now charge up to 2½ cents a bushel for the handling and storing of grain. The rate is fixed not by statute, but by the Grain Commissioners. If a charge of 1¾ cents a bushel, or 2½ cents, is not adequate pay for the services performed, let them increase it.

Right Hon. Sir GEORGE E. FOSTER: May I ask my honourable friend, is it true or not that the Grain Commissioners, when they come to the conclusion that the rate should be increased, have to submit a recommendation to the Government, and that the grain rates are ultimately fixed by Order in Council?

Hon. Mr. WILLOUGHBY: That may be. My right honourable friend, having been a Minister in charge of that Department, will perhaps know what the Grain Commissioners did. It may be perfectly true that the Government had to approve of their recommendation, but I presume that in such a matter the Government would act, in the end, on the skilled advice of the proper advisers. So the argument is not changed in the slightest degree.

Now, if you look at section 159 of the old Act, the Act of 1912, you will see that the farmer had the right, if saw fit to exercise it, to take delivery of the grain at the track. He might say to the elevator company: "I do not want you to ship that away at all; I will take delivery here." If he took possession of that grain at the track and shipped it away himself, or through his own agency, the elevator company was still liable for the grades and the weights. Under the new Act what do you find?

Where delivery is made into cars on track at the country elevator the Bill of Lading (if issued) and an affidavit of weight shall upon request be delivered by the country elevator to the owner and thereupon the country elevator shall be relieved from further liability for grades and weights, except in so far as the subject to grade and dockage ticket otherwise provides.

So all the country elevator has to do at the present time, under the Act of 1925, is to ship that grain out, if the farmer desires, at any time of the day or night. The elevators are operating 24 hours daily. Frequently the farmer is ten or fifteen miles away when his grain is being shipped out, and he has no way of looking over it. The Act provides that he shall be given an affidavit of weight, but it does not even say by whom the affidavit shall be made. It does not require the affidavit to be made by the elevator company. You may say that in practice the elevator company makes it, and I have no doubt that is true, but the Act does not so provide, and the affidavit may be made by anybody. Thereupon the company is relieved of all further liability. I submit that that, again, is a departure from a right that the farmer enjoyed under the Act of 1912. As I have just stated, he had the right to take delivery at the track if he desired to ship the grain himself, and the elevator company still continued to be liable for grades and weights. Under the present Act the farmer takes the grain absolutely at his own risk. It is loaded out when he is not present, for in nine cases out of ten it is impossible for the farmer to be present when the grain is shipped. He does not know at what hour the cars will come in, or what number of cars will be available. The farmer may say, "I want the grain delivered to me," but when it is actually delivered he has no way at all of checking delivery. His only safeguard is that somebody makes an affidavit and hands it to him. Then he must take all the risk himself. I repeat, the farmer is deprived of rights he enjoyed under the former statute

I do not controvert the fact that there are profits in handling grain at the terminals; certainly there are. But the rate at every stage of the handling of grain under the Act should be an independent one; that is, the elevator company, the railway company, and the terminal elevator should each be compensated according to the service it performs. The main profit, however, is in the mixing of grain. The advent of the mixing house has entirely changed the situation. Until comparatively recent years, as I have said, the farmer was largely indifferent as to the terminal elevator to which he sent his grain. He became vigilant and active as soon as he became a member of the wheat pool. He more or less fell in with the habits of the company when he was a member of the Saskatchewan Co-operative Elevator Company, the United Farmers of Alberta, or the United Grain Growers Grain Company. Since the advent of the pool he wants to get the mixing possibilities out of his grain. Those

representing the pool have advised him that last year they made $170,000 in the mixing of their grain. Mixing was legalized in the Act of 1912. Before that time it was entirely illegal, and grades alone governed. It was found, however, that in the handling of grain it was possible to promote grades; that a good No. 2 Northern, or a certain proportion of it, might be promoted to a No 1, and that similarly other grades might be raised. The Grain Pool this year expect to make in this manner not $170,000, but a very much larger sum of money. The elevator companies in many cases have made very large fortunes, not merely by terminal charges alone, but also by the mixing of grain, since the advent of that system. Anybody who knows anything about the grain trade of Winnipeg knows that the mixing houses are making a great deal of money. If the Pool could make $170,000 when they were only at the inception of that phase of the business, and if they hope to make at least three times as much this year, it is obvious to those who are concerned in the handling of grain or know something about it that the legitimate promotion of grades can be made profitable to the grower. Who should get the profit? The pool, which is a co-operative institution, is seized of the idea that all profits from the handling of grain, after legitimate expenses are paid, should be distributed equitably among the shareholders.

It is said that we are going to confiscate the large investments of the organized grain companies. I say in absolute sincerity that if I believed that by this measure we were confiscating the investments made in those companies I would hesitate ever to introduce this Bill. They want us to accept first their interpretation of the law under which, they say, their business has grown up, and then their interpretation of the practice which has followed the law. I admit neither. I say that they took only such chances as have to be taken by a man embarking upon any line of business, who may subsequently meet with another form of competition. A man starts a factory, and shortly after commencing operations perhaps when he has begun to prosper, somebody with a new patent comes along, and establishes another factory to make a similar product, and puts him out of business. That is an incidental risk such as we all have to take in the investment of our money. All investments do not turn out well. If the grain trade did not have the absolute legal right to determine the destination of the grain—and I contend they before 1925 did not have that right, but the farmer had it—they took the ordinary risks of business and they cannot complain in the end of confiscation simply because a new set of conditions has arisen and deprived them of opportunities which they formerly had to make money.

Honourable members who do not bother about the Grain Acts may not realize to what extent the Parliament of Canada has interfered with the handling of grain. The right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) is familiar with grain legislation, because for a long time he held a portfolio as Minister dealing with the matter of grain inspection. From the beginning we have been legislating and making regulations on the grain trade and the legislation has been primarily in favour of the farmer, the man who was not in the position of being unable to protect himself. We first imposed upon the grain companies building country elevators the obligation of making them public warehouses. Under the various Grain Acts since 1900 they have been forced to admit into their warehouses the farmers' grain. That was not interfering with vested rights, you would say. For they built up their trade with that law on the Statute Book. The investments in elevator companies were made with a knowledge of that fact, and, I say, they have taken only the ordinary chances of trade. Many of them have been enormously successful, particularly since the mixing houses have been established. I have not a harsh word to say about them. I have many friends in those companies. I am neither a socialist nor a radical, but I do say that if the ordinary interests of the grain trade clash with the interests of the great body of the people who produce the grain, I am for the body of producers. It is they who produce the wealth, and I am going to look to the primary producer rather than the middleman to get the profit. In my opinion the grain trade will go on functioning, though not perhaps so lucratively in the future as in the past.

Hon. Mr. GORDON: May I trouble my honourable friend to answer a question right there?

Hon. Mr. WILLOUGHBY: Certainly.

Hon. Mr. GORDON: It would not bother him?

Hon. Mr. WILLOUGHBY: It may bother me, but I will at least try to answer it.

Hon. Mr. GORDON: My honourable friend has said that he did not believe in confiscation.

Hon. Mr. WILLOUGHBY: I do not.

Hon. Mr. GORDON: But I would infer from the honourable gentleman's remarks that he meant immediate confiscation. Is he averse to anything which would mean confiscation within two or three years?

Hon. Mr. WILLOUGHBY: There may be a slow death in business. The honourable gentleman asks, not about immediate confiscation, but as to what might result in confiscation at the end of two or three years. The first point is, under what conditions was the investment made? The grain trade are the people who have changed the law. The Act of 1925 gives them rights and advantages they never possessed under the legislation existing when they made their investments. That is one answer to the honourable gentleman's question. The public interest in important matters of public policy is another consideration. I am willing to base my contention on what was the acknowledged interpretation of the law by the farmers and what the statute, I submit, shows. There can be no confiscation, because the investors, if they examined the question properly, were perfectly aware of the risks incident to the investment they made.

Hon. LORNE C. WEBSTER: May I ask the honourable gentleman if those investors are not entitled to some protection?

Hon. Mr. WILLOUGHBY: Yes. The investors should be absolutely protected and ought to be considered if they did not put their money in under the law as it stood formerly. Have not the farmers a right to be protected? Ought they to be deprived of the rights they enjoyed from the beginning? They have been deprived by the grain trade of rights that they enjoyed, both in law and in practice, by the amendment that was passed, largely due to the advocacy of Mr. Crerar, who was a dominating person at that time, but who does not dare to come before us at present. Now the grain trade say: "We have a vested right, given us in 1925. We got it upon the Statute Book." I say: "You never should have got it upon the Statute Book, and the grain trade confiscated the rights that the farmer had had from the beginning."

Hon. LORNE C. WEBSTER: Is it not possible to make the law fair to both sides?

Hon. Mr. WILLOUGHBY: It may be. That is a matter for negotiation. There may be something in that. I am only saying that the talk of confiscation does not come gracefully from the mouth of the grain trade, who have confiscated the rights which the farmers believe they had enjoyed from the beginning.

When I digressed I was going to say that the Statute Book from the first, from the time before 1900 down to the present, is full of legislation dealing with grain and regulating the grain trade. Parliament realized the necessity of regulating this great commodity by law, and for the handling of the business, it appointed a special Board to make all kinds of internal regulation not provided by the statute itself. The farmers had no organized means of dealing with the companies, but were dealt with as individuals, and the trade was so important and the situation so difficult for the farmers that it became necessary to place various Acts upon the Statute Book to regulate the handling of grain, and to allow the Grain Commissioners to make a set of regulations. Consider what this Parliament did in 1922. "Confiscation", you say? In 1922 the Dominion Government placed on the Statute Book the most drastic powers. Chapter 14 of the Statutes of 1922 enacted that the Governor in Council might appoint a Board to be known as the Canadian Wheat Board, to consist of not more than 10 members, etc., and with provision for salaries. Clause 6 says:

> The Board shall have power throughout Canada to receive and take delivery of wheat for marketing as offered by the producer or other person having possession of or being entitled to deliver the same; to buy and sell wheat; to store, transport and market wheat; and moreover the Board may sell any quantity of wheat which it may possess in excess of domestic requirements to purchasers overseas or in foreign countries at such prices as may be obtainable.

That Act was to come into force as soon as the three western Provinces, by their Local Legislatures, concurred and passed the necessary auxiliary legislation to make it effective. If it had come into effect it would have established a Board in competition with the Board of Grain Commissioners, but it was not able to function. I believe Saskatchewan and Alberta both passed the auxiliary legislations, but, speaking subject to correction, I think Manitoba did not. The promoters tried for a long time to secure a suitable manager, but claimed that they could not get one. That Act contemplated machinery by which all the grain of Western Canada should be controlled.

Mr. Meighen, in his policy enunciated all over the West in 1921, said he stood for the organization of a voluntary pool, to which would be accorded all the Government facilities for the handling of grain. That is the way the matter was interpreted to us, and I have heard his position stated publicly by

public speeches. If that pool had functioned, it could only have done so by the use of the Government agencies then established, namely, country elevators and every other agency; I claim that the Board contemplated by the statute of 1922, if established, would have been a competitor to the pools in the grain trade to-day. If it had functioned and worked successfully, it would have been, practically the sole grain-handling power in the Provinces.

I could give you other illustrations of the feeling that prevails, that the producers of grain are of the greatest importance to Canada, that the morale of the people of Western Canada should be sustained, and that the farmer should be reasonably prosperous. The Western farmer has had a hard row to hoe For the last two years he has been reasonably prosperous. The crop over a very considerable portion of Saskatchewan and Alberta was a comparative failure in 1924, though the prices in 1924 and 1925 have been profitable, and the morale of the farmer has grown enormously in that time. For years prior to that, save during the time that the price of grain was regulated by the Wheat Board under the War Measures Act, the farmer's lot was an unhappy one. In 1923 the average farmer did not make any money, did not break even in handling his grain. In that year the only farmer who had any hope of making money was the small self-contained farmer who had the labour in his own family. The farmer on the larger scale who had to hire help was frequently a great loser; in many cases the grain produced in 1923 did not pay the cost of producing and marketing.

I say that it is for the benefit of Canada that the farmer should prosper. The people in the East should wish well to the farmer, recognizing the absolute need of the Western Provinces being successful, and recognizing the necessity of the morale of the farmers being kept up to a high point. We need optimism instead of disappointment and pessimism, and that optimism has developed very rapidly in the West within the last year or two.

As showing what Governments are doing in the exercise of their superior rights, as Governments, in interfering with the private dealings of farmers and others in connection with their crops, I should like to read the following despatch which appeared in the Toronto Globe of the 15th inst.:

> Kemptville, June 14.—Encouraged by the success in handling a portion of the apple crop last year, the Ontario Government now proposes to take full charge of the marketing of practically all the agricultural output produced for export. Butter, eggs, apples, and anything else shipped out of the country in any volume by the farmers of this Province will be collected, inspected, graded and exported under an official Government brand, according to an announcement by Hon. John S. Martin at the Kemptville Agricultural School here to-day.
>
> The Government expects to make arrangements with the new $7,000,000 warehouse now under construction at the foot of York Street, Toronto, for storing the produce, so that the same may be marketed gradually throughout the season. The Government, stated Mr. Martin, is prepared to bear the total cost of storing grading and inspection.

This is one of the old Provinces that proposes to take this step in connection with export products from the farms of Ontario. I need not amplify that. If the Government puts into effect any such measure as that outlined by the Ontario Minister of Agriculture, there will be an interference with vested rights in Ontario. Under that policy the farmers will not be able to ship their exports in any way they please, but will have to have their products inspected by Government and marketed under Government direction. What more drastic legislation could there be for disposing of the farmers' products than that? This proposal appeals to me because I think it is in the public interest.

After all, this Bill is dealing with carload lots, and street grain will go as it did before. It has been said that the pool wants to exact from the street farmer the same tolls as the elevator companies want to exact from the pool farmer. But the farmer is not obligated to ship to the pools if he does not want to, and the pools are not seeking street wheat, because it is cash wheat. There is no provision under the pool system to pay cash to anybody at the time of delivery. If a farmer takes his wheat to a private elevator he will get his initial payment, but he cannot get his deferred payments. There are always three payments. There are many farmers who are not in the pool, though the pools are increasing with almost lightning rapidity—6,000 last year in Manitoba, I am told, and about 17,000 now. In Saskatchewan and Alberta they are increasing at the same rapid rate; so that in the end they will control increasingly larger quantities of grain in the Prairie Provinces, but a considerable portion of that will always find its way into the private elevators, which are not to be put out of existence, or to be scared out by this Bill.

The street seller farmer wants to take his cash home; his business and family necessities frequently require all cash. There is individualism among the farmers; they are not all collectivists, who want to join a pool

and enjoy the benefits of co-operation. They have still other rights under those other elevators, to ship the grain through the organized grain trade. The country elevator owned by the pool must take in street wheat because the Grain Act implicitly obligates them to do so when street wheat is tendered, but they are not looking for that wheat.

In conference with Mr. Murray, who appeared before the Banking and Commerce Committee, as to the quantity of grain in the Western Provinces that would be affected if the Campbell Bill went into force, I found that not more than 12 per cent of the business would be touched. The pools have only one-eighth of the elevator capacity, while they have 50 or 60 per cent of the grain; therefore of necessity the pools will have to use the other elevators, unless they buy or build more country elevators. If only 12 per cent of the grain is affected, this Bill would not mean spoilation or confiscation.

In conclusion, honourable gentlemen, I ask you to put the stamp of your approval on this new system of co-operation—rather, I should speak of it as the growing system. It is becoming the system throughout the world. I had an opportunity of seeing co-operation working in Australia in various branches. Central Europe is developing on that line, and in many cases producers are doing co-operative buying as well as marketing. In addressing this House previously I gave the figures showing the growth of co-operation in the United States up till 1924. Pools for various commodities are found all over that country—not only for wheat, but for tobacco, fruit and various other kinds of products, with the object of minimizing the cost of middlemen between the producer and the ultimate consumer. The present trend is to do away with middlemen, even in the case of jobbers, and to conduct business directly between the manufacturer and the retailer, and sometimes even with the ultimate consumer, eliminating the jobber altogether. Co-operation is the movement of the world to-day, and I think we should look favourably on it, and make it as easy as possible for the farmers of this country to co-operate successfully. The movement for co-operative marketing is increasing throughout Canada, and the scheme outlined in the despatch I read amounts almost to a system of co-operative marketing in Ontario.

I say that it is in the highest interest of Canada that we should improve the morale of the farmers in the West. They are not dreamers, visionaries, or wild socialists. The farmer is a real conservative—I do not mean in a political sense at all; but he is one of the most conservative elements in the community, and it is only when he thinks he is not getting a square deal that he becomes aggressive and organizes for defence or attack. Improve his morale by making conditions more profitable on the farm; let him get out of his grain every fraction of a cent that there is in it. He has to compete with other countries that can produce grain cheaper than he can. In an address in another year I gave you the figures of Argentina, showing that the cost of marketing grain from that country was less than it cost the farmer in the western part of Saskatchewan to put his grain in Fort William. When I addressed this House at the time the Panama route was opened up, I think I was listened to with a great deal of incredulity when I predicted a great future for that route. It is our duty to help the farmer in his world competition, for in the nature of things he cannot be protected, wheat being a surplus commodity in competition with the whole world—Argentina, the United States, India, Russia, the Balkans and other wheat-producing countries. Let us help the farmer to make his labour profitable. and if he thinks he can make more out of his grain by marketing it through his own channels, cutting out the middleman, I ask this House to reflect carefully as to whether we should refuse to enact what was passed unanimously by the House of Commons only a few weeks ago.

CONSIDERED IN COMMITTEE—PROGRESS REPORTED

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

Hon. Mr. Robinson in the Chair.

On section 1—contents of warehouse receipt:

Hon. Mr. CALDER: Honourable gentlemen, there are a few words I would like to say with reference to clause 1. In the first place, it is somewhat unfortunate that this Bill has reached us so late in the Session. However, that is an old complaint, and there is very little to be gained by labouring it at the present time. I merely wish to state that the Committee that sat on this Bill for some ten days or so has not had time, in these the dying days of the Session, to make a proper report to the House, but has simply reported the Bill without any recommendation at all. That is exceedingly unfortunate, because there are many members of the House who did not attend the meetings of the Committee and who did not hear the evidence.

I need not say that this measure involves a great many technicalities and details of

which a great many members of the House have very little knowledge. The Bill bristles with technicalities. The members of the Committee did the best they could within the time at their disposal, and when their labours were finished I think the Committee had a very fair knowledge of these technicalities and details. But those who did not attend the meetings of the Committee cannot possibly have that knowledge. For that reason I think it is exceedingly unfortunate that the Committee had not time, because of the lateness of the Session, to consider all the evidence that came before them and make a straight recommenedation to the House as to what should be done with this Bill, at the same time submitting the evidence so that every member of the House might have an opportunity to read it.

We have just listened to a very lengthy speech by the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby)—a speech crowded with detail—and I am sure that not many honourable gentlemen who listened to him have a very clear idea as to what is the real issue. The issue is a very narrow one and can be stated in very few words; and, while I do not intend to weary the House at any length, I am going to try to get at what I call the real heart of the question—the principle involved.

I am not going to quarrel with my honourable friend from Moose Jaw with regard to the pool system. There was no necessity for him to dwell on that question for fifteen or twenty minutes. Pools are recognized the world around: farmers and others are going into them everywhere. Neither is anybody going to quarrel with the statements of the honourable gentleman with regard to the desirability of the Government assisting agriculture in every way possible. We are all desirous that the farmer of Western Canada should be prosperous; we all realize that if he prospers the rest of Canada will prosper with him. We need not labour that side issue at all.

As I say, there is a real point at issue, and it is a very simple one. Briefly, it is this—as was so well stated by the Chairman of the Committee in his remarks to the House: The farmers of the three Prairie Provinces claim that when a farmer has a carload of grain at a country elevator that he wished to forward to the head of the Lakes, he has the right without any question at all to decide to which terminal elevator it should be sent. They say that was the old law.

Hon. Mr. WATSON: And practice.

Hon. Mr. CALDER: And practice. They also claim that by the legislation of last year that law was changed, and that right was taken away from them; and they come to us now with this Bill asking us to restore that right. On the other hand, the elevator companies and others opposed to this legislation say that the farmers never had the right by law to make any such selection, and that because of the system of elevators that has been built up under the old law, the position of the farmer is not justified. The grain trade say in effect: "We have invested somewhere in the neighbourhood of $85,000,000 under an existing statute—and an existing practice, if you choose—and now you propose by this legislation to put that investment in jeopardy." There is the whole point. They say: "You should not now, after those conditions have been established, and after we have made that investment in grain handling facilities, pass such a law."

Hon. Mr. WATSON: Put it back where it was a year ago.

Hon. Mr. CALDER: They say: "You should not now, by statute, give the farmers a right that they did not have when we made our investment."

Hon. Mr. WATSON: The right was taken away a year ago.

Hon. Mr. CALDER: No.

Hon. Mr. WATSON: Under this Act.

Hon. Mr. CALDER: Ah, the question arises whether the right existed or not. I think I have stated the question very fairly to the House.

Now, I am not going to attempt to follow the honourable gentleman from Moose Jaw in his argument on the legal question of whether or not the farmer had that right. All I wish to say in reply—and I am responsible only for my own vote—is that the argument placed before the Committee by Mr. Pitblado with reference to the legal right of the farmer was not met by any person who appeared before our Committee. Other members of the Committee may take an entirely different view of that, but that is my opinion. I have satisfied myself on that point on one ground, namely, the evidence submitted to us in connection with what is called the Turgeon amendment. Mr. Justice Turgeon, Chairman of the Royal Grain Commission, prepared a draft Bill in which there was a clause to the effect that the farmer had the right to select the terminal elevator. But what was the evidence that came before us? It was that Mr. Turgeon himself did not prepare that amendment. The evidence that came before us was that there was absolutely no conten-

tion between the farmers and the elevator companies on that point. I submit to every member of the Committee the question of whether or not I am right. I say again that the Turgeon amendment was put in the draft Bill—the amendment rejected by Parliament last year—without the slightest attempt on the part of either the farmers on the one hand or the grain trade on the other to have that provision placed in the law. I say there was no dispute Nobody asked for that. The Royal Grain Inquiry Commission carried on their inquiry for a whole year, and went all over the country from East to West holding sittings, and nobody ever submitted to them the question of whether or not there should be any change made in that feature of the law.

Hon. Mr. DANDURAND: Why? Would it not be because the right of the farmers in the West had never been challenged?

Hon. Mr. CALDER: No, I would not say that.

Hon. Mr. DANDURAND: There was no grievance?

Hon. Mr. CALDER: I will come to that in a second. Conditions have changed. I say that question was never submitted to the Royal Commission at all, and that when Mr. Justice Turgeon put that amendment in his draft, the recommendation came from the Board of Grain Commissioners. And according to the evidence submitted to us, they put it there for what reason? To give the farmer that right without question? Not at all. As we all know, within the last two or three years there has been a very large grain movement to Vancouver—last year it amounted to anywhere from 35,000,000 to 50,000,000 bushels —and in a few cases there was some dispute as to whether or not the farmer had a right to send his grain to Vancouver instead of to Fort William, and according to the evidence, the Board of Grain Commissioners suggested to Mr. Justice Turgeon that this amendment be put in the law in order to make that quite clear. That is the genesis of the whole matter; that is the real ground for what is called the Turgeon amendment.

Last night we had Mr. Snow and the other Grain Commissioners before us, and they stated to the Committee just what I am stating now. I say that the provision of a year ago was not put there, as the honourable member for Moose Jaw states, for the purpose of making clear that the farmer had a right to do what he has been doing for twenty years or so, but for the purpose of making it clear that the farmer had a right to send his grain to Vancouver instead of to Fort William—to choose his terminal point, not the terminal elevator.

So far as that point is concerned, I have satisfied myself at least on the question of law. I admit that there is room for a difference of opinion; but, so far as I am concerned, I am convinced that the argument advanced at very considerable length by Mr Pitblado before the Committee has not been met, even by my honourable friend.

Hon. Mr. WILLOUGHBY: That is the only attempt that was made to meet it. Mr. Murray went away.

Hon. Mr. TURRIFF: I would say that several times during Mr. Pitblado's address to the Committee objection was made to his argument on that point, and, being a very clever lawyer—one of the ablest in the West —on each occasion Mr. Pitblado said: "I am coming to that in just a minute," and succeeded in passing it off.

Hon. Mr. CALDER: That may be all right.

Hon. Mr. TURRIFF: It is all right. It is a lawyer's argument.

Hon. Mr. CALDER: I think my honourable friend will admit that he went into every aspect of the legal phase of the question, and went into it very fully.

Hon. Mr. TURRIFF: But he did not answer those questions.

Hon. Mr. CALDER: I quite agree that there may be some questions he did not answer.

Now, coming to the point mentioned by the leader of the Opposition—

Hon. Mr. DANDURAND: There is no leader of the Opposition.

Hon. Mr. CALDER: Well, my honourable friend. That question, as a matter of fact, has arisen in a contentious way only within the last two or three years, and it has arisen because of the creation of the pool. These pools have begun to acquire country elevators and terminal elevators. They have now somewhere in the neighbourhood of 800 out of a total of over 4,000 country elevators that they own, operate or lease, and they have in the terminal elevators a capacity of 20,000,000 bushels out of a total capacity of something like 70,000,000 bushels. I am not absolutely sure of the figures, but they are approximately correct. That has all been done within two years or so, and it is because the pool realize that there are certain profits in the terminals

that they come to Parliament and ask that pool members, like others, should have the right to select their terminal. In other words, they are seeking the profits. I do not blame them in the slighest degree. I quite agree with my honourable friend from Moose Jaw that the farmer should have the fullest right to make every cent of profit he can make out of his grain, provided he does not unjustly and unfairly hit some person else who should not be hit. That is a very important proviso. I will go just as far as any honourable member of this House to see that every farmer in Western Canada by every possible means, gets every dollar to which he is entitled from his labour; but I will not go so far as to say that he may hit some person else unfairly and unjustly. That is the crux of the whole situation. When Mr. Crerar and Mr. Forke last year, in another place, stated that they considered this law unfair and unjust, I believed Mr. Crerar and Mr. Forke meant every word they said.

Hon. Mr. GILLIS: Mr. Forke has withdrawn that.

Hon. Mr. CALDER: Yes, he has.

Hon. Mr. SHARPE: He has resigned too.

Hon. Mr. CALDER: Something has happened since last year. Some people have not been as frank and as straighforward this year as they were last year. I put it very frankly to this body—and I think one may speak frankly here: political exigencies have sprung up and exist to-day which have had a tendency to compel some people to do some things that in my judgment they would not do under other circumstances, and I say that this body should not be governed by any considerations of that kind. In the press recently there have been intimations that this body should take a certain course with reference to certain legislation that reaches us. There have been almost threats as to what would happen if this body did not take that course. There has been talk about the reform and possibly the abolition of the Senate, and all that sort of thing, because this body has seen fit to amend or reject certain legislation. Well, I say that this House was created by the Fathers of Confederation for a specific purpose: it was made a body for the review of legislation passed elsewhere. In my opinion, if there has ever been in the history of Canada a time to exercise those powers which was given to us by the Constitution, that very time is now, when these peculiar political exigencies exist. So far as I am personally concerned I do not hesitate at all. It is not an easy matter for a person like myself, coming from the Prairie Provinces, to oppose legislation of this kind. I have said I do not care whether 150,000 farmers ask for this —I do not care whether all the West ask for it; the whole point in this legislation is the question whether or not it is fair and just. Is anything being done or attempted that is not right? If so, I intend to oppose it.

What is the position in so far as the elevator companies are concerned? And when I have stated that I shall have practically finished. There has been built up in Western Canada a line of country elevators numbering more than 4,000. Those country elevators in themselves cannot operate successfully. That is admitted. There must be connected with them certain terminal elevators. The terminal elevators in themselves, standing alone, cannot operate successfully. It was shown to us that the C.P.R. and the Grand Trunk built their terminals, but could not operate them, because they had no feeders. I say we must accept the statement that a line of country elevators standing by themselves cannot operate successfully, nor can a set of terminal elevators operate by themselves. The whole system must work together.

What does this legislation propose? This is one of the worst features of it. It proposes that any one of the farmers, not the 125,000 farmers, but all the farmers of Western Canada, should have the right, which would be exercised, to send his grain to any terminal at the head of the Lakes. Suppose I am the manager of the pool system and I send out word to all the farmers in Western Canada: "Order the elevator companies to send your grain to me." Very well. I have 20,000,000 bushels capacity at the head of the Lakes, out of 70,000,000, and I get orders for 50,000,000. Here are these other private terminal elevators nearby. I have absolute control of the situation. I can fill any one of those other terminals if I so desire. Is not that plain? Though I can handle only 20,000,000 bushels of grain, I have got control of 50,000,000 bushels. I can decide where it shall go. The farmers out in the country have ordered that their grain be sent to me, as manager of the pool, or to my terminals. Here are A, B, C, D, E, F and G. I am in a position to say to A: "Not one bushel of these 50,000,000 will you get. I am going to favour B"—or "I am going to favour C"—or "I am going to favour D." I put A out of business to-day, and I shall put B out of business to-morrow, and C out of business the next day. In other words, by this statutory provision, the Pool are put into such a position that they may kill any terminal elevator. What would follow?

If you have not your terminals, then your country elevators are no good—they cannot operate at a profit. You must have the entire system.

Hon. Mr. DANDURAND: Will my honcurable friend allow me to put to him a question?

Hon. Mr. CALDER: Yes.

Hon. Mr. DANDURAND: Does it not stand to reason that the line elevator companies at the terminals, whose storage capacity will be absolutely needed by the pool—since the pool, though it may control 50,000,000 bushels, can handle only 20,000,000—would arrange to meet the pool's conditions? The pool will not be master of the situation if those elevator companies stand together and say: "Here are our terms. Let us make a bargain. Let us come to an agreement." It seems to me that at that stage the two interests will be face to face and on an equal footing, ready to defend their respective rights. I would put that question to my honourable friend.

Hon. Mr. CALDER: That would be perfectly satisfactory if the trade would stand together, but here are six terminal elevators, all competing for business, all anxious to get profits, and the representative of the pool comes along and says: "Your ordinary charges are so and so. Now, you just shade off one-eighth of a cent a bushel and we will give you the business." Those terminal elevators are competing with each other all the time, just as the country elevators are, for business, and the pool, having in their hands that extra quantity of 50,000,000 bushels of grain—I am stating only an imaginary quantity—have a club which they may use against the terminals. Not only have they a club, but if they make up their minds to kill any private terminal they can absolutely starve it—prevent it from being fed with grain. Where did that grain come from? What were the agencies for the collection of that grain? Some 2,300 country elevators that the pool does not own or operate or lease. Yet when they have got that 50,000,000 extra bushels of grain that those elevators have collected in the country, they turn around and say, "You shall not have a single bushel of it." The pool is in that position; it has that power. It can, if it wishes, kill any one of those terminal elevators.

There is another phase of the question. What is the necessity for the proposed legislation? I say it is unfair. It confers a power that may do great harm. As to the urgency of it, what was the evidence set before us, not once, but two or three times? Again I submit to the judgment of every honourable member of the Committee. "Gentlemen, if you do not give us this legislation to-day, we shall not need it two or three years from now." Was not that the statement made? We were told in Committee: "The pool is growing by leaps and bounds. It is gathering in money. It is collecting two cents a bushel, or $400,000 a year, now."

Hon. Mr. ROBERTSON: Four millions.

Hon. Mr. CALDER: Yes, $4,000,000 a year, to provide facilities. The pool's representatives said: "Why, we have got the grain trade up against a stone wall. Two years from now we shall not need the legislation at all." If that is so—if the pool at the present time, after being in operation only two years, has 800 country elevators and some 20,000,000 bushels of storage at Fort William, and if they expect in two years' time not to require any legislation of this kind at all, why in the world should we be in such haste to pass it at present? There is no necessity for haste. The situation will take care of itself. Personally I should have liked to see—

Hon. Mr. WILLOUGHBY: I do not want to interrupt the honourable gentleman, but half of those, or more than half, you know, were taken over from the Saskatchewan Co-operative. They were already built.

Hon. Mr. CALDER: Yes, certainly, already built. The Saskatchewan Co-operative Elevator Company were on a perfectly sound basis. They paid back every dollar they ever borrowed from the Government, paid every cent of interest due, and paid very reasonable dividends to all their shareholders. The pool has taken over the Saskatchewan Co-operative Elevator Company as a going concern, perfectly solvent, and on a good, sound basis. So there is no danger in that respect.

What I should have like to see—and in this connection I understand there is a possibility of an amendment coming before the House—would be some arrangement whereby we could bridge over the difficulty that exists. I think that if our Committee had had an opportunity, if we had had two or three more days, we might have done that, because, after all, it is only a question of a year or two until this problem has solved itself. The pool is big and strong, and it is going to grow and to have all kinds of money, just like the Saskatchewan Co-operative Elevator Company. They think nothing of going to Buffalo and building an elevator of 1,500,000 bushels capacity, or building 15,-

000,000 bushels storage at Port Arthur, and 500 or 600 other elevators in the province of Saskatchewan, all on a good, sound basis and paying satisfactorily. So I say that within a year or two this question would have solved itself, and before the Bill leaves this Committee I should like to see at least an effort made in some way or another to bridge over the differences between the two interests. I sincerely trust that the effort will be made and that some means may be found to accomplish it.

As regards the main principle of section 1 of the Bill, I oppose it. Not because I am opposed to the pool, not because I do not wish to see the Western farmer successful, not because I do not wish the farmer to get every cent he can out of his grain. I oppose it on the ground that it is unjust to place the pool, by statute, in a position in which it may legally do something which it should not have the right to do. I oppose it because it may jeopardize capital that has been invested under a law passed by this Parliament; because there is a possibility that people, not those who originally invested their capital, but people who have since taken an interest in these various elevator systems, may be dealt with unjustly by a statute of this kind.

Hon. Mr. DANDURAND: Will my honourable friend allow me to put to him a question? Do I understand him aright when I infer from his statement that within two, three, or four years the pool can become so strong as absolutely to command the situation?

Hon. Mr. CALDER: The honourable gentleman heard the evidence. He will remember that Mr. Pitblado made the statement that Mr. Murray and Mr. Burnell had said that within two years the grain trade would come back to Parliament to ask for this legislation, and when Mr. Burnell was called before the Committee the last time I asked him: "You heard Mr. Pitblado's statement that you and Mr. Murray had said that the pool would not require this legislation in two years' time? Did you mean it? Why did you say it?" It will be remembered that he replied: "We have got the trade up against a wall." Then he corrected himself and said: "We have got them up against a stone wall." He intimated as strongly, in my judgment as it could be intimated, that in two years' time the pool would be in such a position that they would not require this legislation at all.

Hon. RUFUS H. POPE: Honourable gentlemen of the Senate, I have listened to my honourable friend who has just taken his seat. He has given us a history of this affair. I desire to say that there is always a reason for these things. There is a reason for the existence and the success of the pool. It does not exist because the farmers of the West have inherited any desire for co-operation. They are made up of disconnected elements. They have come from different parts of the world. It was evidently an imperative business necessity that compelled them to think in the first place of co-operating, and then of pooling their interests. They did so—why? Because the vested interests, from which we hear so much, and for which I have some regard, did not deal fairly in their handling of the farmers' grain. They dealt very unfairly. As one of the farmers who have produced and handled grain in the early days, in the middle stage, and up to the present time, I am in a position to state from my own experience what happened to us. In the early days we had no alternative. There was the elevator owned by some one of those line elevator companies. At that time many of them were not in combination, as everybody knows they are now. Some were owned by one organization and some by another. However, as for the sale of the grain, we were treated in the same way. Let me give you a fair illustration of conditions in the early days. It does not apply to myself in particular, because I was able to build alongside the railway track some temporary granaries into which I could put my wheat. But take the case of the man who came in with a single load —and he was a far more important factor for the future of Canada than I was. He had gone out there to live and to become a citizen of this country, in the hope of earning prosperity for himself and his family. That man arrives with a load of wheat—we will say fifty bushels—in his wagon or other conveyance. He draws up to the elevator. The elevator man, if he can handle that wheat, looks it over and says: "Yes, not too bad a quality—not too bad; but there is a little shrunken wheat there, and there is other grain—weed seeds or something—in there. I can't give you No. 1 for that: The best I could possibly do is to give you No. 2" —or No. 3, as the gentleman decides. That change of grade would be equivalent in value to about 5 bushels, according to my experience; so that would leave him 45 bushels of wheat, for which he would be paid the price of No. 2, or perhaps No. 3, whatever the buyer declared it to be. Then the buyer would charge him freight on those 5 bushels, which, at the time when I was operating,

would be 15 cents to Fort William, or 75 cents on the 5 bushels. Then he would take out the cost of cleaning this wheat when it got to Fort William, and the farmer would have to pay that. In these ways the farmer would get a lower price for his wheat; and such treatment is the best that he could anticipate in those days.

Now, the surplus owned by the Grain Exchange of Winnipeg amounted to about $2,300,000, which they had taken out of the farmers at Fort William in the way of freight rates, and all such things. It is not very astonishing that the farmers are beginning to be nasty. By such experiences as I have related the foundation was laid for co-operation, and for what is called the pool to-day.

Suppose a farmer comes in with his load of wheat when the elevator is full. This poor devil has 50 bushels of wheat, and he wants some groceries for his family. What is he going to do? He is told to go to the storekeeper and see him. He goes over, and the storekeeper says; "I am filled up now with wheat, and I don't know when I am going to get it out; I don't want any more." The farmer says he has a load of wheat worth 75 cents a bushel, but the storekeeper simply says he is very sorry for him, and he does not want the wheat, but if the farmer insists he will give 50 cents a bushel, the price to be taken out in groceries. The farmer is very glad to do that, and goes back home with the groceries.

I quite agree with my honourable friend that so far as we can consistently do it we should protect fundamental things; but we are not here to do that at the expense of the men who are absolutely essential to the development of this country. Of course, the man who is making investments is essential to Canada in order to develop our various industries and activities; I appreciate that; but fundamentally the man who comes from the four corners of the globe and settles on those lands of ours in the West or the East, is entitled to the protection of the Senate as well as of the House of Commons. Therefore I ask, why there can not be a resolution or amendment introduced into this Bill that will give a fair deal to both of the parties concerned—one that will provide an opportunity for preserving the capital investment, and also benefit the farmers? I trust that both parties will get together and handle this matter in the interests of the farmers of the West.

I am sorry that I do not know enough about this matter to suggest an amendment. I am not on the Banking and Commerce Committee, which is quite proper, because if there is anything I do not know about, to my regret and sorrow, it is banking. Anything I know about banking affects my heart in a crucial way that almost breaks it; therefore it could not be expected that I would know anything about these matters that are dealt with by the Committee. But if the Committee cannot agree, let them come back and so report, and then some of us who have a deep and practical interest in this problem would consider what proper amendment might be made to this Act so that all the people could be satisfied, both the vested interests and the people who form the pool, who have been forced to form it by the vested interests known as the Grain Exchange, or elevator organization, or whatever term you use.

Therefore I think that we should consider these matters to-morrow.

Hon. Mr. LAIRD: It is now nearly 6 o'clock. Might I move that the Committee rise and report progress?

Hon. Mr. DANDURAND: Call it 6 o'clock.

Hon. W. B. ROSS: I intend to move the adjournment until to-morrow and not to sit to-night. There is plenty of time to thresh this matter out.

Hon. Mr. DANDURAND: What is the motion?

Hon. W. B. ROSS: There is a motion that the Committee rise and report progress.

Hon. Mr. DANDURAND: I am not ready to accede to that motion. I intend to ask the Senate to sit this evening, and if necessary we will divide the House on this question. We are in the closing days of the Session. We have been accused of dilatoriness in our work. Now, surely, as this is the last Bill, the Senate could clear the Order Paper. It is said that we should give time to the study of this Bill. Well, let us give the evening, and if the House of Commons decide, to sit to-morrow we will know by 8 o'clock; then we will go on with it to-morrow and dispose of this legislation. But surely, when there is a possibility of voting Supply wholesale in order to reach prorogation this week, we should not risk being accused of allowing this legislation to drag on from day to day.

Hon. W. B. ROSS: Honourable gentlemen, I do not think that my honourable friend need have any fears of having any charge laid against us of neglecting the work here. I am perfectly satisfied that there will be abundance of time to deal with this Bill. I do not see any necessity at all of sitting to-night for this.

The Hon. the CHAIRMAN: The motion is that the Committee rise, report progress, and ask leave to sit again.

Hon. Mr. DANDURAND: But there is considerable difference of opinion, from what I am told, as to the possibility of a short ending of this Session, and my honourable friend has not given this Chamber any reason why we should lose the whole evening in discussing the matter. Here we are, with quite a large attendance. Many members desire to be heard on this question; shall we deprive them of the three hours that we can give to the study of this Bill this evening?

Hon. W. B. ROSS: I am satisfied that we will sit all this week, and away into the next week. There is plenty of time. There is a large amount of work to be done in the other House, Estimates and other matters, and they will go on there.

Hon. Mr. DANDURAND: But my honourable friend has not given any reason why we should not go on and study the Bill this evening.

Hon. W. B. ROSS: There is no necessity for it.

Hon. G. D. ROBERTSON: My honourable friend has intimated that in another place they might proceed with prorogation. May I state to him that it is reported that Estimates were ready to be proceeded with this afternoon, but the friends of my honourable friend in another place have introduced extraneous matters and discussion is going on, and it is possible that it will be another week before prorogation. We have heard three very excellent expositions relating to the subject-matter contained in this Bill. The last honourable member who spoke (Hon. Mr. Pope) made a very great impression upon my mind I think it is very desirable that some mutual ground should be found, some ground upon which this House can stand, as being fair and just to both parties, and not permitting either party to take advantage of the other. So far as I can see yet, there does not appear any such middle ground, or any proposal that has been submitted to the House. I think we could adjourn to-night, and that honourable gentlemen could make an honest and earnest effort to have something of that sort ready for presentation to the House to-morrow, so that we could proceed to dispose of this Bill intelligently and with fairness to all concerned.

Hon. Mr. DANDURAND: But can we not lay our views before the Senate this evening, and out of the discussion will we not find the solution which has not yet been suggested? We have the Bill, which some members believe should be passed as it is, feeling that it is justified. Now, these arguments may be put before the House to-night. I am ready to go on this evening and state my views on the Bill; others will do likewise; and if we do not reach a conclusion this evening we will have the whole night to sleep over the situation and try to come back with some new ideas to-morrow afternoon. No one has suggested an amendment, though the junior member from Moose Jaw (Hon. Mr. Willoughby) thought a middle way could be found; but if neither he nor any other member proposes such, should we not proceed, and reach a conclusion? I cannot realize why we should not discuss this Bill this evening. We have been told by my honourable friend from Regina (Hon. Mr. Calder) that we are threatened with extinction if we do one thing or the other; but it has also been said that this Chamber was gaining time in order not to hurt the feelings of some members of the Commons, one way or the other. Well, should we not act independently, in our own way, and decide as to what is the best course to adopt in this Chamber on this Bill? I am ready to take my stand. I doubt very much that any honourable member would say that he would rather adjourn the discussion because of a party advantage elsewhere. I am not thinking of that; I am ready to discuss this Bill.

Hon. Mr. MACDONELL: I think we have lots of time to-morrow, and most likely the next day. We have worked very hard to-day, and I think it would be a great pity to work this evening. I would rather have a rest, and go on to-morrow.

Hon. Mr. DANDURAND: I do not know how my honourable friend has worked, because we sat in Committee, and we sat this afternoon. I have known of days of hard work, but not this one, surely. I think every member is fresh, and can give three or four hours this evening.

Hon. Mr. MACDONELL: We have listened to three or four speeches this afternoon already.

Hon. Mr. DANDURAND: Well, there are days when my honourable friend has heard two dozen.

Hon. Mr. GILLIS: The junior member from Moose Jaw (Hon. Mr. Willoughby) suggested that there might be a possible amendment brought in to meet the situation.

Hon. Mr. DANDURAND: Well, we may help him in finding an amendment in the discussion that will take place this evening.

Hon. Mr. GILLIS: But would it not be well to have that amendment brought in, and then discuss the question on that amendment, rather than go over the ground again?

Hon. Mr. DANDURAND: My honourable friend has moved that the Committee report progress and ask leave to sit again. I will divide the House on that question.

Hon. Mr. TANNER: As a member of the House I want to make a remark in reference to my honourable friend. I want to take exception, I think very properly, to my honourable friend making a statement which suggests that any honourable member of this House is conducting himself, in respect to this Bill, not with consideration of its merits, but with regard to how his action in this House might affect somebody in another place. For one, I want to take exception to that, and to express my amazement that my honourable friend, who has been the leader of this House, would impute such conduct to any honourable member of this House.

Hon. Mr. DANDURAND: I have not done so.

Hon. Mr. TANNER: The records of this House will show to-morrow. I say I understood my honourable friend to suggest—

Hon. Mr. DANDURAND: I simply stated that, referring to the allusion of the honourable gentleman from Regina, that there were statements that were being made, but I did not take the responsibility for them, and I am not ready to do so. I said that every member was ready to exercise his right and his discretion in the discussion of this Bill.

Hon. Mr. TANNER: I would be quite prepared to hear such a suggestion or remark come from what is called a back-bencher.

Hon. Mr. DANDURAND: There is no back-bencher here.

Hon. Mr. TANNER: I did not expect it to come from an honourable member of this House who occupies the position my honourable friend occupies, and has occupied with great credit to himself. Whatever my honourable friend said, that is the impression which he left in my mind. Now, I want to say this further. It is suggested that we should not adjourn. What is being done in another place? Is there any hope or expectation of closing this Session? Why, people in another place have no desire, apparently, to deal with public business. They are wasting the whole afternoon, and will probably waste the whole night in a futile debate.

Some Hon. SENATORS: Order.

Hon. Mr. DANDURAND: Since the 7th of January.

Hon. Mr. TANNER: I refer to what is in another place. Therefore I see no reason why this House should not take time to deliberate on the subjects which we have here, and adjourn as suggested and give an opportunity for people who are interested in these two Bills to come to some sort of settlement, which we would all like to see made in regard to it.

The motion of Hon. Mr. Laird was agreed to: yeas, 27; nays, 24.

Progress was reported.

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

THE SENATE

Thursday, July 1, 1926.

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

Prayers and routine proceedings.

MONTREAL HARBOUR BILL

FIRST READING

Bill 189, an Act to provide for a loan to the Harbour Commissioners of Montreal.—Hon. W. B. Ross.

SECOND READING

Hon. W. B. ROSS: By leave of the House, I beg to move the second reading of this Bill, about which I do not think there will be any contention. It is a Bill to enable the Montreal Harbour Commission to borrow money. Such moneys have always been repaid and taken care of. I understand that there was no serious objection to the Bill in another House, and suppose there will be none here.

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

THIRD READING

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

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

CANADA GRAIN BILL

STATEMENT OF CHAIRMAN OF COMMITTEE ON BANKING AND COMMERCE

On the Orders of the Day:

Hon. G. G. FOSTER: Honourable gentlemen, before the Orders of the Day are called, I desire to draw the attention of this Chamber to a matter that I deem to be of public importance, and which relates to the good name of this Chamber and of the Committee on Banking and Commerce. I have been silent when, in this House and out of it, certain insinuations have been made with regard to delays in what is known as the Grain Act, which was before the Committee to which I have referred. I have been silent because I did not want it to appear that the Committee on Banking and Commerce, over which I have had the very great honour to preside for seven years, did not need to be defended. But I must break that silence to-day, because I am told that it is currently reported outside this House that the delays that have occurred with regard to that Bill have been due to that Committee.

I desire to place upon record the following information with regard to the Grain Bill legislation. Parliament met on January 7th, 1926. The Grain Bill was introduced in the House of Commons three weeks later, on the 1st of February, 1926. The Bill was in the House of Commons until the 10th of June and came to this House on the 11th of June. It was submitted to the Committee on Banking and Commerce on the 16th of June, one week being lost through no fault of the Committee. The dates of the meetings of the Committee on Banking and Commerce upon which the Bill was considered are as follows: Thursday, June 17, 11 a.m. to 1 p.m.; Thursday, June 17, 8 p.m. to 11 p.m.; Friday, June 18, 10.30 a.m. to 12.50 p.m.; Tuesday, June 22, 8.30 p.m. to 10.40 p.m.; Wednesday, June 23, 10.30 a.m. to 1 p.m.; Wednesday, June 23, 8.30 p.m. to 10 p.m.; Tuesday, June 29, 8 p.m. to 10.30 p.m., and Wednesday, June 30, 10.30 a.m. to 11.15 a.m. The Committee submitted this Bill to the Senate on the 30th of June.

I submit that from these facts this House and the country can readily understand that if there has been any great delay with regard to this Bill, and delay to the people of the country getting the benefit of the legislation contained in it, it has not been due at all to the Committee on Banking and Commerce.

Hon. Mr. BEIQUE: I would suggest that the Chairman of the Committee should also state the time when the Grain Board was asked to appear before the Committee, and the delay caused thereby.

Hon. G. G. FOSTER: I may say that there was not any delay on the part of the Banking and Commerce Committee in summoning them. They were summoned as soon as instructions were given to do so.

Hon. Mr. BEIQUE: They were to be here at the end of the week, and were unable to get here before the adjournment at the end of the week, and the Committee had to await their convenience for several days.

Hon. G. G. FOSTER: Supplementing the statement which I have made, I ask permission, in answer to the suggestion of the honourable member from De Salaberry, to read the following telegrams.

On the 22nd of June I addressed the Chairman of the Grain Commission, Mr. Leslie H. Boyd, Fort William, as follows:

Senate Banking Committee considering Bill 8, to amend Grain Act desire your attendance before Committee at earliest possible day. Wire when you will arrive. Committee waiting.

On the 23rd of June I received this answer:

Your wire. Full Board has arranged to leave to-night for Moose Jaw, Edmonton and Vancouver on special itinerary. Of opinion if Senate Committee desires information from Board full Board should be requested to attend. **Please advise.**

On the same date, June 23rd, I replied:

Reference your telegram Banking Committee requests attendance your full Board earliest possible moment. Wire time of arrival.

On the 24th of June Chairman Boyd sent me a message and said:

Full Board will arrive Ottawa Saturday morning.

I wired a rush answer to that:

Committee cannot understand delay in your arrival. Senate probably adjourn Friday afternoon until Monday night when they desire your presence.

In response to that they appeared that night —Monday.

DUPLICATION OF TRAIN SERVICES

INQUIRY AND DISCUSSION

Hon. G. GORDON: Before the Orders of the Day are called I desire to call the attention of this House, and particularly of the Leader of the House, to a matter which I think requires some looking into. Advertisements have appeared recently in the newspapers stating that another train de luxe would be placed on the run between Montreal and Toronto by the Canadian National Railway. That train, I believe, is already operating. A few days later the announcement appeared stating that the C.P.R. was doing the same

thing. Before these two trains were put on, there were running between Montreal and Toronto five trains per day on each road, which I submit and believe were sufficient to take care of all the business offering between those two points.

If honourable gentlemen will look back only a short time, they will remember that the evidence which was placed before us when we were inquiring into the railway question, went to show that millions of dollars were being lost by both roads on passenger traffic. If I remember aright, in 1924 the Canadian National system lost some $24,000,000 or $26,000,000, and I think the statistics showed that the C.P.R. lost something like $10,000,000. This being the case, it seems to me that these two great railways are still persisting in the war between themselves to the disadvantage of the people of this country, rather than entering into the co-operation which we were led to believe a short time ago they would enter into.

I protest most vigourously against what appears to me to be the worst kind of extravagance. I like others have been looking forward to the day when the railway companies would be in a position to reduce railroad rates which are weighing so heavily upon the business of this country. While I am not a railroad man, and do not pretend to know much about the business, I frequently travel between the two points mentioned, and I have never yet found that there was not plenty of room for myself and others before these additional trains were put on. To me it seems ridiculous that a Canadian National train should be put on to leave Montreal at 12.45 in the daytime, reaching Toronto eight hours later, and that another train on the C.P.R. should leave Montreal at 9.45 in the morning, reaching Toronto about 5 o'clock in the afternoon, because business men, if they take these trains, will arrive too late in the day to do any business. I say that already there were too many trains leaving these points in the morning, before the additional trains were placed on the run.

Some people may think that this is a matter that does not concern us very much. It is very nice to ride around in expensive and palatial cars, but it is driving away the time when we may look for reduced rates. I therefore ask the new Leader of the House to make inquiry into this question and to see if there is not some way by which the heads of these railways can be brought together in co-operation to the advantage of Canada instead of continuing unnecessary trains to its disadvantage.

Hon. Mr. BELAND: May I ask my honourable friend a question? Is not this new train put on to accommodate the tourist traffic between those two important cities, which is so heavy during the summer months?

Hon. Mr. GORDON: I am glad my honourable friend has asked that question. However, it is one that I cannot answer very well. His suggestion may be correct; but let me say that last winter, about December, we witnessed a similar spectacle, only perhaps worse than the present one. The Canadian National Railway advertised that they were putting on a fast train between Montreal and Winnipeg and Toronto and Winnipeg, which was going to run much faster than other trains. It was put on, and a few days after that the Canadian Pacific Railway put one on; I understand they did not want to be outdone by the other railway. I believe that action cost many hundreds of thousands of dollars to each of those roads. They found that they could not maintain those two new trains without a tremendous loss, and after having lost very much money they took them off in a month or six weeks. Now, I do not believe that they require this new train for tourists, or any other trade during the summer, as each of the railways has five trains per day leaving Montreal and going to Toronto, and the same the other way.

Hon. W. B. ROSS: Honourable gentlemen, I may say on this subject that it has always been a puzzle to me to know what all those trains between Montreal and Toronto were doing. The last time that I had occasion to look into the matter, which was last winter, there were five trains a day on the C. P. R. and five on the other railway; that would be ten trains a day, and they were de luxe through trains. Besides them, there was also a sprinkling of so-called accommodation trains.

I may add that if I can get information and explanation as to those two trains I will be glad to submit it to the House, because it is a puzzle to me. I know that the tourist trade on the western section from the 1st of July until about the 10th of September is very great, and the railways require all manner of trains during that period. It may be that the new train referred to is only put on for four months, and will then be taken off; doubtless it is so.

DUNCAN REPORT IN CUSTOMS INQUIRY

REQUEST THAT IT BE LAID ON TABLE

On the Orders of the Day:

Hon. Mr. BLACK: I would like to ask the honourable Leader of the House if he would place upon the table of this Chamber a certain section of the report on the Customs Inquiry which was held in another place. That section of the report has not been distributed to the members of this House. I refer to what is known as the Duncan Report. I understand it contains information with which the members of this House should be acquainted.

Hon. W. B. ROSS: I will see if I can obtain the report for the honourable gentleman.

Hon. Mr. DANDURAND: Is it composed of evidence, or is a duplicate of it obtainable? What is that Duncan Report? I confess that I have been flooded with reports from that Committee, both in French and English, and that I have not read the first line of them. I have seen the words "Duncan Report," and understand that it came from a gentleman who had been detailed by the late Government to make an investigation. I have not seen that Report, and I do not know whether it has been tabled in the other Chamber, or whether it is composed simply of written reports, with any exhibits, etc. If the Report has not been printed, there can be but one original, which may be in the other Chamber, and which could not be here at the same time.

Hon. W. B. ROSS: I understand that the so-called Duncan Report was laid on the Table in the other House, and that it is the report of a detective that was embodied in and became part of the report of the Committee. In some way or other the Committee made evidence of it; I do not know whether they called the Inspector and asked him to swear to the truth of it, or how it was done. As I understand, it is part of the record on which the Committee made their report.

Hon. Mr. DANDURAND: If it is part of the record, has it not come along in the daily reports of evidence that have been distributed to the members?

Hon. W. B. ROSS: It appears not; I do not know.

Hon. Mr. BLACK: It is part of the record that was taken by the Committee, and has been tabled in another place. In that case we have the same right to have it tabled in our Chamber. It has not yet come to us, and I am in exactly the same position as the honourable leader on the other side of the House: I have not seen it, but I think it is right that we should have it. I simply ask for that portion of the Duncan Report which was tabled in another place.

Hon. Mr. MACDONELL: The report was placed publicly before the Committee and everybody. I heard it myself.

Right Hon. Sir GEORGE E. FOSTER: It seems to me that what we ought to have in this House is just exactly what they have in the other House. We are equally interested in the probe which has been carried on, and we are bound, as legislators here, to secure and study all the information we possibly can; therefore we ought to have an exact replica of what they have in the other House —report, evidence, and all documents attached.

CANADA GRAIN BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 8, an Act to amend the Canada Grain Act.

Hon. Mr. Robinson in the Chair.

On section 1—contents of warehouse receipt:

Hon. J. A. CALDER: Honourable gentlemen, it has been intimated to me to-day that there is a possibility of the two parties to the dispute which we have been considering in connection with this Bill getting together. If I could be sure of that I would not occupy the attention of the House at all, because, after all, this dispute is between the large body of farmers on the one hand and the grain trade on the other. While the general public have an interest in it, still I think we all recognize that the dispute is between those two important bodies. If, through our discussion of this question, they have been able to get together in some way or another, I am sure we will all be not only greatly pleased but also somewhat surprised.

When I spoke yesterday I did so without any special preparation. I had attended all the meetings of the Committee and heard all the evidence, and I did not intend or expect to occupy the time I did. But with the indulgence of the members of the Committee I would like very briefly to supplement the statement I made yesterday, when I had not all my notes with me. In considering the matter during the interval I found

that there were some facts which I had overlooked, but which I think should be placed before the Committee in order that they may give this matter the attention which it deserves.

I said yesterday that the issue turned entirely on the interpretation of one clause in the Grain Act. Briefly, the farmers hold that they always had the right to send their grain to any terminal elevator. On the other hand, the trade held that they never had that right. In the main, the question is applicable to only one class of grain—grain in carload lots, stored in privately-owned country elevators. There is no dispute at all about grain stored in carload lots in pool elevators. The issue is briefly this. If a farmer stored his grain in carload lots in a privately-owned country elevator he claimed that he always had the right to send that grain to any terminal elevator he chose. That claim of his is disputed by the trade. They hold that never during the whole history of the grain movement in Western Canada, from the very beginning, did the farmer have that right. I think the members of the Committee understand what the dispute is in that regard.

I had not the exact figures before me yesterday, but I have them now, taken from my notes of the evidence, and I think that every member of the Committee should have before him a note of these figures in order that he may more clearly comprehend what the effect of this legislation will be if it goes through. In the first place, it was submitted in evidence, and not disputed, that there are 1717 railway stations in the three Prairie Provinces, and I think it may be assumed that there is one, perhaps more than one, elevator at practically every one of those stations. A number of the country elevators at these points had a few sidings—we had no evidence in regard to that; but say 4,292 elevators owned by private individuals. It was stated by those who appeared for the organized farmers that for this year's grain season they will have for operation, either by ownership or lease, or in some other way, 825 of the 4,292 elevators referred to: In other words, approximately one-fifth. That means that there will be some 3,467 country elevators operated this year by private interests, as against 825 operated by the pool.

The terminal situation—I am speaking of the Fort William terminal—according to the evidence, is this. All told there exists a capacity of 72,000,000 bushels of terminal space. Of that total capacity the pool this year will have control of and will use, 20,000,000 bushels, leaving in the hands of the private interests some 52,000,000 bushels.

Now, if we assume that the pool does not own more than one elevator at any station or country point, we find from these figures that of the 1,717 stations or points there will be 892 points where the pool is not represented. Assuming that the pool have only one elevator at each point—and I think my assumption is accurate or very nearly so—they will be represented this year at 825 points where country elevators are, and they will not be represented or have country elevators at 892 points.

The Committee had some evidence as to the cost of those elevators. Mr. Burnell stated that the pool had recently been building modern elevators, fully equipped, of the highest standard yet built, with capacity of 50,000 bushels, at $15,000 each. If they were required to build at these 892 points where they are not now represented, it would cost them, to put in the latest type of elevator of 50,000 bushel capacity, some $13,380,000, according to their own evidence. On the other hand, if the pool undertakes to acquire elevators at those points, I think I am well within the situation when I say that I believe they could acquire those elevators at a cost of from $7,000,000 to $9,000,000, and perhaps less, because many of the standard elevators with capacity from 25,000 to 35,000 bushels cost not more than $10,000 in place of $15,000; and we must remember that many of those elevators have been in operation for some years, and the question of depreciation would have to be taken into account.

We further had in evidence this fact, that all the members of the pool have agreed with the pool managers that those managers may levy a toll or fee on every bushel of grain that they handle, to the extent of 2 cents a bushel; and this, according to the evidence put before us, means that the pool is now in a position to collect from pool members an amount of money equal to $4,000,000 a year for the purpose of providing the necessary facilities. They have that power and they are exercising it. It would take only a year or two for them to acquire elevators if they desired. In two years at the longest they could lay aside the amount of money necessary in order to have an elevator at every point where they are not now represented.

Right Hon. Sir GEORGE E. FOSTER: That is, assuming 200,000,000 bushels handled.

Hon. Mr. CALDER: Yes, and the chances are there would be more.

I submit this further. Mr. Murray and Mr. Burnell, who represented the pool organiza-

tions, in their evidence took the ground that the country elevators pay. They were asked questions time and again with reference to that point, and they had no hesitation in stating that the country elevators, not merely a few of them, but all, were profitable. As a matter of fact, the statement made to our Committee, not once but many times, was that those elevators had paid for themselves many times over. I ask honourable members of the Committee if that was not the evidence that came to us.

If it is true that these country elevators pay—if it is true that the pool consider them profitable and that there is no danger of a loss, then why should they hesitate either to build or to acquire elevators? When I asked the question as to why they did hesitate, what was their reply? Mr. Burnell, the Secretary of the pool, one of their chief officers, himself admitted that if he were free to do as he chose, to build or acquire elevators was exactly what he would do; but he said he could not get the other members of the organization to see as he saw. When he was asked the pointed question, what were their objections to acquiring or building elevators, what was his reply? He stated there were two objections. In the first place, they did not wish to duplicate existing facilities. There was some evidence to the effect that there were too many country elevators. Personally I doubt if all the facts will bear out that opinion, because when we have a bumper crop we have not too many elevators; they are all filled and there is not sufficient space for all the farmers to get their grain in. At any rate, he held as one of his reasons why they did not move in that direction that they did not desire to duplicate existing elevators. The other objection was that they did not wish to use their finances at the present time for that purpose.

As regard their first reason, if they acquired elevators by purchase or lease there would be no duplication. As to his second objection, my reply is that if there is no question about these country elevators being on a paying basis, if they will carry their interest charges and all overhead charges and earn a profit, there should be no difficulty in getting capital even if the pool do not wish to use their own. What is the history of the Saskatchewan Co-operative Elevator Company? When I was a member of the Legislature of the Province of Saskatchewan our Government was instrumental by statute in creating that company. It was ten or twelve years ago; I have forgotten the exact date. We had, let me say, much hesitation in placing that law on our Statute Book. Our Government arranged for an advance to this farmers' company of 85 per cent of the cost of the elevators, and I may say frankly, we had the greatest doubt that the enterprise would succeed. But what was the result? That company went ahead from year to year until finally they had built and were operating in the neighbourhood of 450 or 500 elevators, scattered all over our Province, and there was never a time in their history when they did not pay promptly every dollar of interest or principal that they owed, and did not have, besides, a profit to distribute among their shareholders. So I say that the contention put forward by the pool that they do not wish to use their capital or borrow money for that purpose does not rest on a sound foundation. If these country elevators pay, then the pool should not hesitate either to acquire them by purchase or else to build elevators. That is the stand I take.

Hon. Mr. WILLOUGHBY: I do not want to interrupt the honourable gentleman's argument at all, but in that connection may I put just this question? Could the Saskatchewan Co-operative Elevator Company ever have functioned if the Provincial Government had not put up the 85 per cent? It could never have come into existence. The farmers could not have raised the money.

Hon. Mr. CALDER: That was possibly true, but we are no longer at that stage. It was an experiment then; it is no experiment now. The history of the Grain Growers' Grain Company, the Saskatchewan Co-operative Elevator Company, and the organized farmers of Alberta in the operation of country elevators has all indicated that capital need not be fearful of investing its money in institutions of that kind. On the other hand, take the investment made by the province of Manitoba. The Manitoba Government went into the business of country elevators, but with very sad results. Their elevators did not become a dead loss, but they lost money year by year—and why? That goes to the very heart of the question that we have under consideration. The Manitoba Government had their feeders, but they had no terminals at the head of the Lakes. Feeders without terminals will not and cannot pay. If the Saskatchewan Co-operative Elevator Company succeeded it was because they immediately started to work to get their terminals at the head of the Lakes. I think they eventually built about 15,000,000 bushels storage capacity there; not only that, but they jumped down to Buffalo

and provided storage capacity there. They knew that unless they had the terminal facilities for their country feeders they could never succeed. That, however, is a side issue.

Let me give an illustration of what Mr. Burnell told us in evidence on this very point. We were talking about these elevators paying, and honourable members of the Committee will remember that he instanced a point in Manitoba, completely within his own knowledge, at which there were four elevators. What was his evidence? He said: "Our elevator handled 300,000 bushels of grain; the private elevator next door handled 28,000; another one, a little farther on, handled about 40,000, and another one about the same quantity." In other words, the fact that the pool had an elevator at that point to serve their farmers placed them in such a position that they got 300,000 out of a total of about 400,000 bushels marketed there. It seems to me that there is not the slightest danger that the pool if they desire to go into this business, will ever lose a single dollar on the building or acquiring of the country elevators which are required by them in order to handle the business given them by members of their organization.

Instead of the pool themselves building or buying at those 892 points at which they are not now represented, they come to Parliament and ask us to pass a law compelling 3,467 privately owned country elevators, scattered throughout the Prairie Provinces and having at the terminals connected with them as part of their plant a storage capacity of 50,000,000 bushels, to act as collecting agencies to feed, not the terminals privately owned, but those belonging to the pool. Remember that all the time I am assuming, as I must assume, that the farmers had not the legal right which they say they had. They are asking Parliament to pass a law that will compel those privately-owned elevators to collect and store grain at the initial points and then transmit it to the pool terminal elevators at the head of the Lakes.

Hon. Mr. SCHAFFNER: Is the honourable gentleman's statement exactly right? As I understand, it was the practice, though I am doubtful whether it was the law or not, for the farmers to designate the terminal elevators to which their grain should go, but that right was taken from them last year, and that is why they are here now seeking legislation in accordance with their practice.

Hon. Mr. CALDER: My whole argument is based on what I believe is a proper interpretation of the law; and, as I stated yesterday, in my judgment the argument put forth principally by Mr. Pitblado and to some extent by Dr. Magill has not as yet been answered by anybody, not even by my honourable friend the member from Moose Jaw (Hon. Mr. Willoughby), who spoke yesterday.

Hon. Mr. WILLOUGHBY: I would like the honourable gentleman to argue the question.

Hon. Mr. CALDER: If I had a reputation as a lawyer I would not hesitate to do so. But I will say this. As every honourable member of the Committee is aware, Mr. Pitblado stood before our Committee and said that Mr. Symington, whom we all know, stated before the Argricultural Committee in another place that in his judgment no lawyer of any standing in Canada would, over his signature, express the opinion that the farmers ever had the right they claimed.

Hon. Mr. SCHAFFNER: We have often heard arguments like that.

Hon. Mr. CALDER: That is quite true, but Mr. Symington has a reputation. He is not a straw man; he is a man who has been employed by the Government of this country in many important cases. He has a reputation throughout the length and breadth of this land.

Hon. Mr. WILLOUGHBY: I am not impeaching the professional reputation of Mr. Symington, but he is a member of a law firm acting for the United Grain Growers.

Hon. Mr. CALDER: I am simply taking Mr. Symington's statement. I say Mr. Symington, who is a very able counsel and has a reputation at stake, made the statement in the Agricultural Committee that in his judgment no lawyer of standing would, over his signature, express the opinion that the farmers ever had by statute the right which they now claim they had. And I go further, as I did yesterday: having heard my honourable friend (Hon. Mr. Willoughby) yesterday, and having heard the arguments previously put forth by Mr. Murray, I stated yesterday that I was not convinced by all the arguments that the farmer had the right which he claims. I do not ask any person to accept my view, but my whole case is based on that. If I am wrong in that, my case falls down; my whole position is reversed. If I were convinced that the farmer had that right, I would be the first to fight for it, but so far as I am concerned I am not as yet convinced that right existed. It is quite true that to some extent it existed in practice.

Hon. Mr. GILLIS: Did he not exercise that right during all those years?

Hon. Mr. CALDER: I do not want to enter into a lengthy discussion as to what happened in practice. It was stated by Mr. Pitblado before the Committee that the practice was exercised to the degree of probably 2 per cent; and under what conditions? Here are four elevators at a certain point. A farmer who is a regular customer of one of these elevators comes in and for some reason or another says, "I would like to have my grain shipped this time to such-and-such a terminal." The man operating the elevator, instead of standing absolutely on his legal right, does what? He says: "Of course, John, I will let you ship there." That occurred when the farmers wanted to ship the grain to any mill—when they wanted it diverted to the Lake of the Woods, the Ogilvie, or some other milling company.

Then our friends from the other House came to give us evidence the day before yesterday. What was their evidence? From the members of the other Chamber who were brought for the purpose of giving evidence to show that this right had existed and had been used, all the evidence was to this effect, that after the Grain Growers Grain Company had acquired terminals at the head of the Lakes they had asked that their grain be sent to the Grain Growers' terminals. But that was in a very limited number of cases. Mr. Pitblado afterwards made a further statement showing that that did not at all affect the general position which he had taken.

However, I am not going to dispute that point. I do not care whether the practice existed or not. Let us assume that it did exist, and to a larger extent than has been stated. After all, you have to come back to this question: what was the legal right? Once we can satisfy ourselves on that point, we must take our stand on one side or the other. I say that so far as I am concerned—and I am speaking only for myself—nobody has as yet satisfied me that the farmers had and exercised the legal right which they say they had under the law prior to 1925.

I state again that this proposed legislation, clause 1 of this Bill, simply asks Parliament to require some 3,400 country elevators to act as the agents for the pool terminals. That is the position as I see it. Why do they do that? Both Mr. Murray and Mr. Burnell were very frank in their statement. The pool have acquired terminals only within the last two years. They know the value of the terminals. What did they tell us? "First, we want the profit that arises, from the handling charges." A cent or two cents a bushel, or whatever it is —I do not care what. "We want to get that profit. These terminals are filled and filled and filled during the season, and we want the flow of grain through our terminal, so that we may get the profit in the handling of it."

Hon. Mr. GORDON: May I ask my honourable friend a question right here? I understand that when the farmer desired to have his grain delivered to him from the country elevator, or desired to take it out of the country elevator and have it delivered to some mill instead of the terminal point, he paid a charge of a cent a bushel to the elevator company. Is that so?

Hon. Mr. CALDER: That may be, or it may not. It is away from the question I am discussing. I would rather not deal with side issues. That is really not the point in question, and I do not know whether I could answer the honourable gentleman or not. All I have to say with reference to that is that, according to the evidence, whenever a farmer terminal elevators and mixing houses, endeavoured to make themselves familiar with the miller, and so on—the privilege was invariably granted to him. What he paid for it I do not know.

Hon. Mr. GORDON: I am asking my honourable friend because he was a member of the Banking and Commerce Committee and heard all the evidence.

Hon. Mr. CALDER: Yes.

Hon. Mr. GORDON: I am not a member of that Committee, but I heard part of the evidence. If the honourable gentleman heard it all, he must know whether or not the farmer had to pay a charge on such grain as I have mentioned.

Along the same line I was going to ask you if you thought that in place of the farmer's grain having to go to the terminal it would be a fair proposition if he paid the elevator man a cent a bushel on the other grain.

Hon. Mr. CALDER: As I stated, I heard all the evidence, as a good many other members of the Committee did; but I am sure that they are like myself, and that a great many of the details necessarily went in one ear and out the other unless they were regarded as essential to the point at issue.

In the first place, as to the question of whether the farmer was allowed to make a diversion, I say yes. According to the evidence, that was the invariable practice. Whether or not the farmer was charged something for making that diversion, I do not remember. In my judgment that is not material, and I

have not carried a recollection of the fact. I am inclined to think there was a charge made.

I was dealing with the position taken by Mr. Murray and Mr. Burnell as to why they wanted this grain handled at the terminal. They were very frank in stating that they wanted it for the reason that there were certain profits accruing on it—certain moneys coming to them if they could get it. They wanted as big a flow through their terminals as possible in order that the profits might be as large as possible. In the first place, they wanted the handling charges, then they wanted the premiums on what is callled spot wheat. I am not going to take the time of the House to explain what spot wheat is. There are certain premiums on that class of wheat, and they desired to have it in their terminal so that if it was demanded by shippers they would get the profits on the spot wheat.

Then there are certain profits arising from the mixing of grain in the terminal elevator. I will not attempt to explain that. The bald fact remains that there are certain profits attached to it. So I say these two gentlemen, representing the organized farmers, did not attempt to hide anything. They put their cards on the table and said: "We want this business to come to our elevators so that we may get every dollar of profit that we can get." Their ground was that they had only one desire, namely, that the farmer should be entitled to make the largest amount of profit he possibly could, or get the largest possible price for his crop. That he is entitled to that I do not dispute. I think I have made my position perfectly plain. I am not going to quarrel with anybody who takes that view. I am just as desirous as any other member of this House that all producers in Western Canada should get the very last cent out of the product of their labour, provided, however, that no injustice is done in putting them in that position.

Hon. Mr. GORDON: Would the honourable gentleman enlighten my ignorance? I understand that the charge at the country elevator is 1¾ cents a bushel, and you have represented to us that the country elevator and the terminal elevator are really parts of one machine. Will the honourable gentleman tell me what the charge is for handling the wheat at the country elevator and also at the terminal elevator?

Hon. Mr. CALDER: I would be very glad to do so, but I am not going to take the time of this Committee. I am trying to deal with broad principles. If I get off on a side line with regard to small details in connection with this measure, I am lost, and the House also is lost.

Hon. Mr. GORDON: Will the honourable gentleman permit me a word there? If members of this House are not on these Committees, to whom are they to look for their information if not to the members of the Committee?

Hon. Mr. CALDER: I agree with the honourable gentleman. If this Bill had followed the ordinary course, what would have been the procedure? The evidence would all have been printed, and the honourable gentleman would have had it in his hand and would have had the fullest opportunity to read it. I venture to remark that he would not have read it; he might have glanced through it.

Now, if I may be pardoned, as I say, there are a thousand details and technicalities in connection with this law, and one of the reasons of the delay in dealing with this Bill was that the members of the Committee, some of whom did not know the difference between street wheat and spot wheat, privately-owned terminal elevators and public terminal elevators and mixing houses, endeavoured to make themselves familiar with the details, and I do not think we can get anywhere in our discussion if we start to deal with those details.

Hon. Mr. GILLIS: May I ask the honourable gentleman a question? It is not a matter of detail. The honourable gentleman said a moment ago that he was desirous of seeing the farmers get every possible cent out of their grain.

Hon. Mr. CALDER: That is right.

Hon. Mr. GILLIS: Now, the pool people claim that the only way they can get that is by handling their own grain from the time it leaves their hands.

Hon. Mr. CALDER: I am not going to quarrel with my honourable friend about that. I agree with him that the farmer should have the right to get the very last cent out of his grain. He should have all the facilities for that purpose; he should have the country elevators and the terminal elevators. But I do not agree with the honourable gentleman when he says: "I am going to pass a law that will compel people to use facilities that they have provided themselves for the purpose of making profits for the pool and which will at the same time destroy their own capital investment."

Hon. Mr. GILLIS: They are getting paid for the use of those facilities.

Hon. Mr. CALDER: They are getting paid for the use of those facilities. That is what they are there for. Under the law, what has capital done, starting back as many years as you like, when no facilities existed? According to my interpretation of the law, it is the right of the privately-owned country elevator to send grain stored in it to its own privately-owned terminal elevator. Under that condition, what has capital done? It has invested $85,000,000. With that investment it has provided somewhere in the neighbourhood of 3,400 country elevators and something like 52,000,000 bushels of storage capacity at the head of the Lakes. Now, what does my honourable friend propose?

It has been stated to our Committee, without there being any question as to the exactness of the statement, that country elevators operating alone cannot operate successfully. I say again that it has been demonstrated to us that terminal elevators operating alone cannot operate successfully. Am I not right? Was not that the effect of the evidence submitted to us? My honourable friend shakes his head.

Hon. Mr. WILLOUGHBY: I do not think that was demonstrated by the evidence.

Hon. Mr. CALDER: What is the evidence with regard to the Grand Trunk elevators and the C.P.R. elevators?

Hon. Mr. WILLOUGHBY: Those are terminals.

Hon. Mr. CALDER: What is the evidence with regard to the Spiller people? They had their terminal at Vancouver, and they had to acquire country elevators.

Hon. Mr. WILLOUGHBY: I thought you were speaking of the country elevators.

Hon. Mr. CALDER: We have not any evidence with regard to the elevator system in Manitoba; but as a matter of fact, as my honourable friend knows, and as I know, the elevator system without terminals failed because it had no terminals. We also know that the C.P.R., because they had no feeders, had to hand over their terminals after they built them to people who had feeders. There is no question about the evidence in that regard.

However, Mr. Chairman, I only wished to place a few facts before this Committee with reference to the number of elevators that we are dealing with. I simply wish to make this one point clear: I am as much in favour of co-operation amongst our farmers as any member of this House. Our record in Saskatchewan, where we have blazed the trail in co-operation, shows that. As honourable gentlemen know, I had a good deal to do with many of the measures placed on the Statute Book in that connection. So, when I oppose this legislation, it is not because I am opposed to the Farmers Co-operative Organization, nor because I am opposed to the pool. That is a strong and vigorous institution that will become very much stronger and bigger in the days to come. I wish it every success, and I am sure it will have it. My opposition is based on something entirely different. It is based on the principle that I do not believe that Parliament should interfere with capital that has been innocently and legitimately invested. It is not capital that was invested fifteen or twenty years ago; we know of instances of people putting their money into those institutions within recent years—probably within the last few days. Those institutions, in my judgment, have been built up under a system of law whereby the privately owned country elevator could send the grain that came to it to its own terminal elevator. But you now ask that Parliament should with a sweep of the hand take away from those privately-owned country elevators the right to send the grain to their own terminal elevators. You go further than that, and place in the hands of the organized farmers, as I said yesterday, a club that can be used, and used effectively, to kill any privately-owned terminal elevator at the head of the lakes. That is my opinion. I may not be right, but all of the evidence submitted to the Committee and all the discussions that I have had in this connection lead nowhere else.

Hon. Mr. GILLIS: Just a moment. In the event of the pool people acquiring elevators at all the points throughout the West, would not the same thing be accomplished? Would it not destroy the money investment at Fort William and other points within the course of a comparatively short time?

Hon. Mr. CALDER: Surely. I say surely, and let it; but do not ask me to create a law to do it.

Hon. Mr. GILLIS: The honourable gentleman in the beginning of his speech argued to the effect that there was no reason why the pool people could not acquire elevators at all initial points.

Hon. Mr. CALDER: And I argue that now. They have the right to do so under the

common law. Let them come out and build all the terminals and all the country elevators they like; but do not ask Parliament to put them in such a position that they can do something they have not a right to do.

Hon. Mr. GILLIS: It has the same effect.

Hon. Mr. CALDER: It has the same effect, but it is an entirely different thing to do it by statute.

Now, one other point. Some stress has been placed on the assumption that this law, if passed, will affect only a small percentage of the grain. Mr. Murray and Mr. Burnell placed the amount at 12 per cent of the grain now handled by the privately-owned elevators. The honourable the junior member for Moose Jaw (Hon. Mr. Willoughby) yesterday gave figures indicating that that would be the position, and the argument was that anyway it was only a small thing, as it affects only 12 per cent of the grain.

Hon. Mr. WILLOUGHBY: At most.

Hon. Mr. CALDER: At most. In order to arrive at that 12 per cent, those who made the calculation based it on the assumption that one-half of the entire western crop would not be affected by this legislation. They based it on the assumption that street wheat, that is, wagon-load wheat, would not come under this law. Those who were on the Committee know what the argument in reply was. It is quite true that the pool have not used the existing contracts that they have with the trade for the purpose of getting street wheat through their terminals; but, as I heard the evidence, and as I read the present law and this proposed law, there is nothing in the world to prevent the pool from handling street wheat just the same as any other wheat. In other words, the argument is based on the assumption that "Oh, well, after all, there is only a very small fraction of this wheat to be handled in this way." I say that not only 12 per cent but 50 per cent of the crop may come under this law.

I do not know whether it is worth my while labouring this question, which is a very technical one. Dr. Magill said: "Well, if the pool will give me $100,000, I will show them how we can hande street wheat under this law." Mr. Pitblado said that there was no question about it at all, and we had some argument as to how it could be done. Mr. Pitblado said there was no question at all that street wheat could be brought into this pool, and intimated that they had managers —grain experts and men of excellent ability —who were clever enough to do it. The result of it all was that Mr. Pitblado said: "It will affect us not to the extent of 12 per cent, but to the extent of over 50 per cent." So, any argument that has been advanced that after all this is a very small thing is not, in my opinion, based upon a solid foundation.

Hon. Mr. WATSON: Does the honourable gentleman know why the pool should not handle street wheat?

Hon. Mr. CALDER: Not at all. I have never said that. They could handle any kind of wheat. They are entitled to do so. The honourable gentleman did not get the point at all. It is said that if this law is passed it will not affect street wheat, which is 50 per cent of the crop. He consequently falls low, when he says that, after all, the trade is affected only to the extent of 12 per cent. I say, in reply, that is not true; that the evidence goes to show that the street wheat can be brought under this law, and if it is, then not 12 per cent, but over 50 per cent of the grain handled by those private interests, will be affected.

Hon. Mr. GILLIS: But does not the proposed Bill state that this only applies to carload lots?

Hon. Mr. CALDER: If the honourable gentleman is going to force me to go into a statement of how it is to be done, I will only have to repeat the statement I made in the Committee.

Hon. Mr. GILLIS: But the Bill distinctly states that it shall only apply to carload lots.

Hon. Mr. CALDER: Let me illustrate Suppose that we are all farmers living in a certain district, and none of us has a carload. I bring in 60 bushels, another brings in 40, another 30, another 20, and so on, and we go to the elevator. The elevator man has No. 1 bin, No. 2 bin, No. 3, No. 4, etc. Our grain goes into No. 1 bin because it is No. 1; others go into No. 2, No. 3, and so on. As a result of that we have in bin No. 1 two carloads, and under the law I have a right to assign my grain to a certain gentleman, and I give an order to that effect. That gentleman owns my grain; he owns another man's grain, and so on. He has so many carloads, and the pool asks to have it shipped down to the terminal. That plan can be worked out as easily as rolling off a log, once they have the machinery to have that done.

Hon. Mr. SCHAFFNER: The honourable gentleman has made a very good exposition of his side of the case, and has given a great deal of information, and for that reason I would like to ask a certain question. I think

he has laboured this point more than any other, that his reason for opposing this Bill is the injustice that might be done to somebody else, some other corporation, some line elevator. As I understand—and I want to be set aright if I am wrong, for I may have misunderstood exactly the situation—last year by legislation we took from the farmer, the privilege, which he had possessed for many years—of designating the elevator to which his grain could go. Did we not do that last year?

Hon. Mr. CALDER: I will not admit that. This is the contention of the pool.

Hon. Mr. SCHAFFNER: The farmers had that privilege?

Hon. Mr. CALDER: No. The farmers claimed that under the law that existed before 1925, they had the right to ship their grain to any terminal elevator. Last Session a law was passed, the wording of which undoubtedly took away from them that right, if it existed. The grain trade claim that no such right ever existed. I have said a dozen times to this House that nobody has ever satisfied me that legally the right did exist. If I could be satisfied that the right did exist, my whole case would fall to the ground, and I would vote for the measure.

Hon. Mr. SCHAFFNER: Why did they have this law passed last Session?

Hon. Mr. CALDER: For a very good reason. My honourable friend is losing sight of one of the main facts in the whole situation. Up to two years ago, or three years at the outside, there was no reason why the farmers in Western Canada should ask for this measure, for they had no terminals: they were not interested: the pool did not exist. The pool came into existence in Alberta in 1923, and in Manitoba and Saskatchewan in 1924 and 1925, and when they got into the business—or into the game, if you will—they saw that profits were to be made out of terminals, and that if they could arrange a law that would compel a flow through their terminal of more grain than they could gather at their own local elevators, they would be in a position to make huge profits. They see that opportunity, and now they come along and assert that they had that right under the old law; that it was taken from them in 1925; and now they ask that that right which they claim but which I dispute, should be returned to them.

Hon. Mr. SCHAFFNER: But why was that law passed last year?

Hon. Mr. CALDER: I understand from what the Commissioners said yesterday that it was passed because Vancouver came into existence as a grain shipping point, and there was some question as to whether, under the law as it existed, the farmer had a right to send his grain to Vancouver instead of to Fort William. That is the evidence of the Commissioners when they were called here the last time, and it has not been disputed. Commissioner Snow made a statement to that effect to our Committee—that the only object in having the law of 1925 was to give the farmer the undoubted right to have his grain shipped either to Vancouver or Fort William. I say that entirely new conditions have been established during the last few years by the creation of Vancouver as a terminal point, and on account of the springing into existence of the pool having the ownership of terminals.

I have not expressed an opinion as to what, in my judgment, should be done with this Bill. Frankly, I do not like to see it killed. I think there should be some way out; and I think the time we gained by not meeting last night has been well spent, because I believe that both sides have been very busy since then in trying to ascertain whether or not they can arrive at an amicable conclusion as to what is to be done. I trust that if we have to sit for another two or three days some solution will be found along that line.

However, that may not be accomplished. I do not know; I have no authority to say anything in regard to that; I do not know what is happening, never having been consulted. But if some settlement of that kind cannot be made, it seems to me that one of two courses is open to this House. First, we must give to the organized farmers the undoubted, absolute right to acquire elevators, either by building, by purchase, by lease, or any other means, at any one of those 800 odd points where they are not represented. Even if they do not wish to invest new capital, and do not care to duplicate existing facilities, let us give them that right anyway.

If that cannot be agreed on, we must go back to the old law, as it was before 1925. If the farmers are right in their attitude and they so claim strongly, and my friend from Moose Jaw (Hon. Mr. Willoughby) claimed it with all his ability yesterday—and if they had that right before 1925, let us go back to the old law; let us abandon this Bill; let us strike out the provisions we put through Parliament last year, and let us re-enact the statute as it existed in 1924, and place both these parties to the dispute exactly where they were before the dispute arose.

Hon. Mr. WATSON: Would you wipe out the legislation of last year?

Hon. Mr. CALDER: Wipe it out. Then where would both parties be? They would stand before our courts. What is happening at present is that we are asked to sit in judgment on this matter, and there are legal questions involved that many of us do not grasp. That being so, I say let us go back to the old law, and place the farmer exactly where he was, and place the grain trade exactly where they were, and let them fight it out in the courts of the land, and find out what should be done, and where justice is due. I think that would be very fair and very reasonable unless some other satisfactory solution can be found.

Hon. H. W. LAIRD: Honourable gentlemen, I am sure the House has listened with a great deal of pleasure to the addresses which we have heard thus far regarding this legislation, and we have had the assistance of the presentation from the respective standpoints of those favouring and opposing this Bill. Yesterday we had the privilege of hearing a very learned legal disquisition on the part of the promotors of the Bill, and to-day we had a discussion which was very informative upon certain features of the Bill, from the other standpoint.

Having been a member of this Committee, and having attended all the meetings, I realize that this Bill is surrounded with many technicalities and legal details which possibly the orginary layman has not been able to comprehend. If my honourable friend from Moose Jaw (Hon. Mr. Willoughby), who addressed his legal argument to the House yesterday, was appealing to the Court of Appeal, or even to the members of the Committee who heard the technical evidence, he might have been understood better than he was by many members of this House. As I say, the subject is surrounded with so many legal and technical détails that if we allow ourselves to drift into a consideration of those side issues, important in themselves, but necessarily technical, we will never arrive at an understanding to what the main features and principles of this Bill really are.

I realize that in this House there are many members who were not on the Committee, and they have not the privilege of hearing the evidence and discussions in the Committee, and I can easily understand that there are a number of members in this House who do not yet understand what this Bill is all about. To ask them to vote on legislation so important as this Bill, without a full comprehension of what it involves, is to my mind hardly reasonable.

I have lived in Western Canada for 25 years, and my activities there have brought me in contact with a knowledge of the practices in the handling of grain, both from the farmer's and the grain dealer's standpoint, although I have not had any connection with the trade for 20 years, and have not been directly or indirectly interested in it during that period. I was glad to get out of it, wiser and sadder, and I fortunately stayed out of it up till the present time. But I have acquired information and knowledge of the business detail in the handling of grain, and I will endeavour to discuss the matter, not from a prejudiced standpoint, but from a fair, impartial standpoint, apart from side issues, and free from legal technicalities, some of which may have a more or less important bearing.

As a preliminary to the discussion of the merits of this controversy, let us devote a few moments to see exactly how much grain will be affected by this proposed legislation. and thereby get an idea of the importance of the issue between these contending parties; and in order to get a clear idea of the situation, let us first consider the different methods of marketing, and see exactly what class of wheat and the quantity of it, which will be affected.

Up to to twenty odd years ago, the Western farmer was confined in his marketing to the use of the country elevators, which were not as numerous in those days as they are to-day. It was in the early days of a pioneer country, and the farmers claimed that the country Elevator Companies took advantage of them, and not only deprived them of fair prices for their grain, but also imposed on them in the matter of weights and grades. This feeling became general among the farmers, and led to the original organization of the Grain Growers' Association in the year 1901. It was largely due to the agitation by the Grain Growers' Association that the first relief legislation was secured, which consisted of the necessary provision by the railway companies of loading platforms. By means of the loading platforms farmers were able to load their grain from waggons direct into cars, and ship their cars to terminal points, and sell their grain through commissioned agents who were largely located in Winnipeg. The loading platform system, to some extent, made a farmer independent of the line elevators. These loading platforms exist at the various shipping points at the present time, but owing to the increased facilities and the more satisfactory treatment of the farmer in the later days, they have become obsolete, except in some parts of Manitoba. So that the first method of mar-

keting wheat at the country point is the loading platform, and the evidence before the Committee would seem to indicate that only five per cent of the total crop was handled in this way. Wheat shipped over the loading platform is not affected by this legislation in any way, shape or form, so that we can leave out of consideration grain loaded in this manner, as it does not concern us in consideration of this Bill.

The next method of marketing grain is the sale of street wheat, whereby the farmer takes his grain to the country elevator and sells it for cash in waggon-loads. The sale is made as one would buy a pair of shoes in a store. The farmer delivers his wheat, takes his pay therefor, and the transaction is closed. The volume of the annual crop represented by street wheat is very large, and was estimated before the Committee as about fifty per cent of the total crop. This volume of street wheat is also not affected by the proposed legislation, either directly or indirectly, so that we need not consider it any further in discussing the merits or demerits of this Bill.

Then there is the third method of selling grain, known as "special bin grain." In each country elevator there are different sized bins, and a number which have accommodations for one car load only. If special bins are available, which is usually the case except in the rush season, the farmer can have his carload run into a special bin without having it graded, and he can order it shipped forward to a terminal point any time he desires, and the identity of his grain is kept separate. Special bin grain is not a large percentage of the total marketed, in fact it is an infinitesimal quantity compared with the general total. Some of this special bin grain is bought outright in the elevator, and would not come under the Bill, but where it is shipped to a terminal the provisions of the proposed Bill would apply. The volume, however, is not sufficient to concern us very much.

There is a fourth method of marketing grain which is brought directly under this Bill, and it is this class of grain, known as "graded grain" in general bins, which is the basis of most of the trouble. Evidence before the Committee would tend to show that fifteen per cent of the crop is handled in this way, and in a crop of 400,000,000 bushels, the House will see that 60,000,000 bushels annually are involved, or in a 300,000,000 crop some 45,000,000 bushels would be involved. It would appear that this class of grain is the main bone of contention between the contending parties. The pool people claim that the legislation only affects this small portion of the crop, but on the contrary the grain trade claim that the volume of this grain would be a great deal more than fifteen per cent, and would more probably run to forty per cent; but in any case it is a sufficiently large volume which, diverted from their system, would mean the difference between success and failure in their operations.

In answering the question, why pools and the grain trade fight over this 40,000,000 or 60,000,000 bushels, a new element enters into the matter, namely, the question of terminal elevators. When the grain trade entered the grain business they found that, like all other businesses, certain equipment was necessary, involving large capital expenditures. First they had to have country elevators as a collecting agency to collect grain, but they could not carry on with this alone. The necessary corollary of the country elevators were elevators at terminal points to take care of the grain on arrival at the head of the Lakes, and later on, the same class of elevators at Vancouver. Huge terminal elevators, involving from $2,000,000 to $4,000,000 each, were therefore a necessary part of the general equipment. In this way a terminal elevator system has come into existence, and the Government has provided that on the arrival of grain at terminal points it is weighed by Government weigh-masters into all Public terminal elevators. The farmer, therefore, has complete protection provided by the Government for the weighing of his grain at terminal points. From these terminal elevators grain is loaded out into boats, or for Lake and rail shipment during the Winter months.

Why is the terminal elevator question so important in this issue? For these reasons. Both parties to the controversy are contending for volume of business at the terminals for various reasons, the main being as follows:

First, because the grain trade get one and one-half cent for every bushel put through the terminal elevator, and an additional one-thirtieth cent per day per bushel storage after fourteen days.

Second, because they get certain advantages in the great turn-over by way of a difference in dockage between the dockage allowed by the inspection Inspectors and the actual dockage shown by the out-turns at the terminal elevator. That is a very material consideration.

Third, and most important of all, because through the mixing of wheat they are able to turn a loss of grade into a gain, or at least, to protect themselves in losses of grade which more or less frequently occur as a result of guaranteeing grades at country points.

These are the main reasons why the contending parties are so desirous of getting a large volume of business at terminal points, and they form much of the basis of the controversy which surrounds this Bill.

Up to two years ago what is known as the grain trade, had possessed under the law, a monopoly of both country and terminal elevators, and they naturally developed an enormous industry in which they claim to have invested the sum of $85,000,000. They have handled Western crops efficiently, and in recent years, generally satisfactorily, no matter what it may have been in earlier times. Whether they have taken a greater toll from the Western farmer than they should have done is a matter of controversy. The grain trade claim they have not done so, and refer to the Turgeon report which figures their profits at three-quarters of a cent per bushel. On the other hand, the farmers claim the elevator system has been built and paid for out of undue tolls taken from the farmer; that the terminals, through the privilege of mixing, have a very profitable business, and one of the Members of the Senate Committee made the statement that he had received settlement of an investment in the elevator business of $320 per share for his common stock for which he had not paid one dollar. I am inclined to think that, notwithstanding the claims of the grain trade, and the estimate of the Turgeon report, that the terminal end of the grain business is very profitable, and perhaps far greater than the trade or the Turgeon report suggests.

Now the pools enter the business and come upon the scene. Up to two years ago the grain trade had possession of the field, and then it was that the great Western co-operative pools owned by the farmers came on the scene. Whether rightly or wrongly, smarting under a sense of injustice and tyranny on the part of the grain trade, extending over many years, the farmers started a co-operative movement to buy and sell and handle their own grain products. The greatest grain pools in the world's history have therefore come into existence during the past two years, including approximately 60 per cent of the Western producers, and which promises to increase their numbers in the future. While operating only during the past year, the pools have made remarkable strides, have been well managed, and the farmers claim that they have secured higher prices for their products, although this is denied by the grain trade, who produce figures to demonstrate that the trade has paid higher prices than the pools. Certainly the pools have performed a great service in distributing their marketing over the entire season, thus preventing a glut on the market early in the fall, such as has occurred almost every year in Western Canada.

On commencing business, the pools soon found that it was one thing to organize and talk co-operation, and an entirely different thing to start in business on the enormous scale which was necessary to handle their wide operations. They had no money; they had no country or collecting elevators; they had no terminal elevators; they had no plant or machinery to carry on their business, but they did have the one great factor, which was the grain itself. The first year they built 10 elevators. Now they have bought the Government line in Manitoba, and have taken over the great system of the Co-operative Elevator Company in Saskatchewan, with its 450 country elevators, and large terminals, and in Alberta they have purchased approximately 100 elevators.

The terminal end of it was solved by buying two small elevators, leasing a large one, and they have at their disposal a capacity of over 20,000,000 bushels storage at the present time. The House will therefore observe that the pool is now well equipped to enter the grain trade on a large scale. They possess the first essential for success by having the wheat itself; they have 830 country elevators as a collecting agency, and they have terminal facilities as well. They are therefore in a good strategic position to do battle with the great grain trade which has been built up through successive years by the ablest business minds in Western Canada.

There are one or two side issues that have an important bearing, and I want to mention them here. We see that the two contending parties for the grain trade of Western Canada are in a position to do business, but there are some side issues which affect the question, and which have led up to the introduction of the present legislation. Right here let us see what they consist of. When the pools were organized, the farmers were required to sign a written legal contract to sell and deliver to the pools every bushel of the wheat they produced. This contract, you will note, they can easily carry out at the 830 points where the pool has country elevators to which they can deliver their grain. The evidence showed there were 1,717 shipping points in the Western Provinces, and the additional elevator sidings were estimated at four hundred, making a total of 2,117 marketing points—not elevators, but marketing points. The pool this year will have elevators

at 830 points, so that you will note there are 1,300 points at which there are no pool elevators, and yet all pool farmers are required, under their contract, to deliver to pool elevators.

Hon. Mr. SCHAFFNER: That is not exactly right.

Hon. Mr. GILLIS: Pool terminals.

Hon. Mr. LAIRD: Pool terminal elevators. The question naturally arises: how can they possibly deliver through 1,300 points where they have no facilities? Now, this is where the proposed Bill No. 8 comes in.

Hon. Mr. WILLOUGHBY: The junior Senator from Moose Jaw (Hon. Mr. Calder) put the figure at 892.

Hon. Mr. LAIRD: I heard the figures which he gave, but, with all deference, I am satisfied that mine are correct.

Hon. Mr. CALDER: If the honourable gentleman will allow me, I will explain the discrepancy. I do not remember our getting any evidence as to the number of sidings. I said that there were 1,717 railway stations in the three Prairie Provinces. I had no recollection of any evidence as to the number of sidings, or places where there is no station agent at all.

Hon. Mr. WILLOUGHBY: You are dealing with sidings?

Hon. Mr. LAIRD: Yes.

Hon. Mr. CALDER: There are 400 sidings?

Hon. Mr. LAIRD: I understand after consultation that it is estimated there are 400 sidings.

Hon. Mr. CALDER: That did not come out in the evidence, and I based my figures on the evidence.

Hon. Mr. LAIRD: It is not essential anyway. The question naturally arises,. how can they possibly deliver through 1,300 points where they have no facilities. It is impossible for the pool to construct elevators at these 1,300 points this year, or for several years to come, and in order to make it possible for the pool farmers to comply with their contracts, the proposed legislation has been brought down. Not having the necessary facilities themselves, they want, by this legislation, to compel the line elevators which are represented at these 1,300 points, to give facilities to the pool farmer at these thirteen hundred points, and this is where the bone of contention arises.

Now as to the bill itself. This Bill No. 8 deals exclusively with getting grain out of the country elevator once it is in, and to understand its provisions we must first understand how grain is put into the elevator. I am now referring to graded grain in general bins, which is the main class of grain affected by this legislation. When a farmer puts his grain into the country elevator, he receives from the operator a grain ticket which states on its face that upon payment of charges, the grain will be delivered to the farmer either at the country elevator or at any terminal point the farmer may desire.

Now, how does he get his grain out of the elevator?

This is one of the material points in this whole controversy. If he takes delivery at the country elevator, he gets no guarantee of grades and weights, although his grain ticket provides for such; he must be satisfied with an affidavit of the operator that he loaded into the farmer's car the same quantity and the same grade as he received in. This is the law as it stands to-day. By this Bill Number 8 it is proposed that, although the farmer takes delivery of his carload, and himself ships it to a terminal elevator of his own choice, the country elevator shall be responsible for any loss in weight or grades en route. This is the first point on which the contending parties clash.

The other controversial question arises in case the farmer wants delivery of his grain at a terminal point, and not at the country elevator. By this Bill No. 8 he seeks to compel the elevator company to deliver his carload of grain at any particular terminal elevator at a terminal point, which he himself may designate or choose.

Now, what is the argument on both sides? The pool interests claim that the farmer owns the grain, that the elevator company is simply his agent, and that he should have the right to control his own property, and to say what terminal elevator his grain should be sent to. He also claims that he had this right by law for twenty-five years, that such right was taken away from him by last year's legislation, and he is now simply asking that it be restored to him; that the elevator company is not prejudiced in any way because its representatives have the right to be present when the grain is inspected at Winnipeg, and a Government weighmaster weighs it at any terminal elevator. The grain trade, on the contrary, claim that the farmer has had the right for twenty-five years, and still has, to name the terminal point to which his grain shall be sent, but not the terminal elevator, as provided for in Bill No. 8; that the proposed

Bill would make their elevator system a collection agency for their competitors, the pools, at the 1,300 points where such pools have no elevators; that the elevator systems are compelled by law to receive any farmer's grain, and to compel them at the same time to quarantee weights and grades at rival terminal elevators after the farmer has had possession of the grain en route, is unfair and unjust. They argue that if the pools want to do business at the thirteen hundred points where they now have no elevator, they should build and operate their own houses, and not seek to compel the Elevator Companies by law, to place their large capital investment at the disposal of rival interests, simply to enable the pools to carry out their contracts with the pool farmers whereby they are bound to accept their grain whether they have facilities or not.

Those are the claims of the two parties. Now, what is the solution of this controversy? I must confess I have had some difficulty in arriving at a conclusion to guide my own action in supporting or opposing this Bill. The grain trade claims there is unfairness in the legislation, and that it practically amounts to confiscation of their property. While it contains elements of injustice, I would not go so far as to say that it involves confiscation. There are occasions when seeming injustices are imposed by legislation. Public opinion becomes so pronounced at times that the general good takes precedence over personal or private interests. Take the case of prohibition for instance. Sentiment as wide-spread as the Dominion itself demanded that the operation of bars for the sale of liquors must be removed from hotels, and notwithstanding millions of dollars invested in the hotel business which were practically ruined, the general good was considered first, and the cry of vested interests did not awaken much sympathy. The unprecedented movement by the farmers which culminated in the formation of the grain pools is so pronounced that we are practically asked to disregard private interests in order that their demands may prevail. We are brought face to face with this issue in Bill No. 8. Perhaps the statements of representatives of the farmers themselves may help us to a conclusion.

Mr. Forke, the leader of the Progressives, in another place, opposed the same Bill last year, and gave his reasons. Honourable gentlemen may have read them, but I will put them upon the record:

> I think the right hon. leader of the opposition has stated the case plainly and fairly as I see it. I know that in making that statement I am running contrary to all my friends who sit behind me. It has cost me some effort to make the statement, but I cannot view it in any other way. If you put responsibilities upon the local elevator you must give that elevator also some privileges to protect its own interest. The farmer has always a right to ship his grain to any terminal elevator he may choose, but if he does so he ought to take some responsibility. I know very well that in making that statement I am not making any friends but I am doing what I believe to be in the interest of justice in voting as I propose to do on the measure.

It is true Mr. Forke supported the Bill half-heartedly this year, but he cannot recall his words of last year, as the situation has not changed in the meantime. If I was forced to a conclusion one way or the other just now, I think I would be inclined to support Mr. Forke's opinion. But happily I see a medium course to follow which gives us a loophole whereby the farmers' pools may attain the end they desire, while at the same time doing no injustice to the grain trade.

During the sitting of the Committee the recognized spokesman for the elevator companies stated that they were prepared to sell to the pool an elevator at each of the 1,300 points where the pools are not presently represented; that in case of dispute they would allow the Board of Grain Commissioners to decide what particular elevator was to be sold; and they were prepared to arbitrate the price and terms. That was his statement before the Committee. The question then arises, are the pools in a position financially to take up this offer? The evidence before the Committee shows that the pools withhold two cents per bushel on every bushel the pools marketed for the purpose of building and extending their system. Handling fifty per cent of a $400 000,000 crop, this would give them $4,000,000 annually in cash to devote to this purpose. The evidence further showed that the cost of a new elevator of 30,000 bushels capacity was approximately $10,000, and that the Manitoba Government had sold 70 elevators last year to the pools at an average price of $7,000 each. So that $8,000,000 would be required to equip the pools with an elevator at every one of the 1,300 points at which they are not presently represented. With $4,000,000 in cash annually available for the purpose, it is clear that the pools could easily finance the transaction, and be in a position to have an elevator at every shipping point in the three Western Provinces, ready to handle the 1926 crop.

Hon. Mr. WILLOUGHBY: They are not obligated to take the two cents. They are given the power.

Hon. Mr. LAIRD: They took it last year.

Hon. Mr. WILLOUGHBY: Yes.

Hon. Mr. LAIRD: As evidence of the practicability and desirability of accepting this proposal, Mr. Burnell, Vice President of the Manitoba Wheat Pool, representing all pools before the Committee, went so far as to tell the Committee that if he were general manager of the pools he would accept the offer, but he did not think the farmers generally would do so, because they felt that the elevator companies had taken undue tolls from the farmers in the past, and that they would not care to buy back with their own money what they felt was in a measure, their own property.

My own opinion is that this Bill should be held over until the warring factions can get together and work out a solution which would prove mutually satisfactory. I agree with Mr. Burnell that the proposition made by the grain trade is fair and should be accepted. If their desire is to become thoroughly established in business immediately so that they can comply with their contracts with the farmers to accept grain at every shipping point, here is their chance on fair and equitable terms, doing nobody an injustice, and costing no more than it would cost them by a policy of building new elevators; and it would relieve Parliament of the onus of passing legislation which, whether rightly or wrongly, is felt to be confiscatory and unjust, by established interests. If the Senate can effect a solution along these lines, they will be doing a good service, and a service too, for which they have a splendid precedent. Honourable gentlemen will remember that in the Session of 1924 this House refused to approve the construction of a railway in New Brunswick and a railway in British Columbia at a cost of $5,000,000, which railways were to parallel the existing line of the Canadian Pacific Railway. The Bill was held over for a year on the understanding that the parties would get together and arrange for running rights for the Canadian National Railways over Canadian Pacific Railway tracks. This was done, and a saving effected to the country of approximately $5,000,000. I think the same principle should be applied to this Bill No. 8. The parties should come together immediately and arrange by mutual consent, what is proposed to be done by this legislation, and thereby relieve Parliament of the necessity of passing legislation which, no matter what the argument may be, is bound to do injustice to one side or the other.

The principle which I have suggested would not be a new one, and would not be one with which the pools have had no experience, because they have adopted it in the Province of Alberta. Some time ago they stated to the grain trade that they proposed to build elevators at 30 different points, and suggested the purchase of existing elevators if the trade approved. The result was that the trade got together and apportioned the elevators in every one of the places mentioned, and the pool has purchased them and the transaction is now going through.

Now, honourable gentlemen, in order to carry into effect the suggestion which I have made, I propose to move an amendment to section 1, which reads as follows:

(2) This section shall come into force on such date as may be fixed by the Governor in Council—

Hon. Mr. DANDURAND: Is this to replace section 1, or is it to be added?

Hon. Mr. LAIRD: I am adding this as subsection 2 of section 1.

Hon. Mr. WILLOUGHBY: Subsection 2 is there now.

Hon. Mr. LAIRD (continuing):

This section shall come into force on such date as may be fixed by the Governor in Council by proclamation published in the Canada Gazette, and shall remain in force for a period not exceeding one year from the date of proclamation.

At the same time, so that honourable gentlemen may more intelligently consider this amendment in the light of the original motion, I wish to advise the House that I have a further sub-clause to add. For the information of the House I will read it, so that everybody will know what is proposed. This amendment is intended to carry out the suggestion which I made a few moments ago, namely, to adopt a principle which has already been adopted by the pools in the Province of Alberta. The amendment, which I propose to move at a later stage, reads as follows:

Any grain pool shall be empowered and is hereby empowered to purchase from any elevator company one or more country elevators at any shipping point at which such pool has no elevator, and in case there are more elevators than one at such shipping point, and the owners of such elevators and such pool are unable to agree as to which elevator or elevators the said pool shall purchase, then and in that event, the Board shall decide which elevators shall be purchased by such pool: and in case the owner, or owners, of such elevators so decided upon and the pool are unable to agree as to price and terms for such elevator or elevators, then the price and terms shall be determined by arbitration under the provisions of any Act relating to arbitration in force in the Province wherein such elevator or elevators is situated.

Hon Sir GEORGE E. FOSTER: If that were to become law, how would it act in the case of a grain company having only one elevator at a place? It would seem to empower the pool to wipe out any operation of the grain company.

Hon. Mr. LAIRD: I suppose the grain trade would have to take the rough with the smooth if there were only one elevator there. The chances are that the trade would be glad to sell if the pool were going to build alongside.

The effect of the Bill with these amendments added is simply this. Clause 1 stands as it is with the addition of a statement that it is to come into effect by proclamation published in the Canada Gazette, and it will remain in force for one year from the date it is assented to.

I propose to move another amendment to carry out the arbitration idea. It will impose upon the grain trade the necessity, if they are required so to do, to sell one or more elevators at each place upon terms to be arbitrated upon and for other considerations upon which the Board of Grain Commissioners shall be the arbitrators. There is no obligation on the part of the pool to accept it; the obligation is on the part of the grain trade to sell in case the pool desire to buy.

Under these proposals the pool will receive the legislation they have asked for, and in addition they will have the opportunity of purchasing elevators at the 1,300 points where they are not represented, and the terms on which they may make the purchase are all subject to arbitration proceedings.

Hon. Mr. DANDURAND: The honourable gentleman has not explained why he suspends the coming into operation of the Act to a date to be fixed by the Governor in Council.

Hon. Mr. LAIRD: I will be glad to explain that. Machinery will be provided whereby the elevator owners will be required by law to sell one elevator or more at any country point where the pool are not at present represented and where they desire to buy. The Act, as the pools have requested, is passed, but it does not come into effect for a year. This gives an opportunity to the grain trade and the pool to get together and arrange among themselves as to the points where the pool desire to have their own elevators. I am advised—I have no personal knowledge of it—that this suggestion has been before both interests to this controversy, and has been received by them with favourable consideration.

Hon. Mr. DANDURAND: Could the honourable gentleman tell us who those two interests are represented by? It is most important that we should know. If we are to pass this amendment upon the assumption that it is desired by both parties, we should have some official statement from those two parties.

Hon. Mr. LAIRD: I did not carry on the negotiations; I have not been interested in them at all; but I understood they were between the parties who represented the conflicting interests before the Committee, and who have been in Ottawa ever since and have been conferring in this regard.

Hon. Mr. DANDURAND: Can the honourable gentleman tell us if the suspension of the application of the Act will be conditional upon the parties coming to terms?

Hon. Mr. LAIRD: If they do not come to terms, then it is for the Governor in Council to say what shall be done.

Hon. Mr. DANDURAND: Then we transfer our legislative powers to the Governor in Council?

Hon. Mr. LAIRD: Yes, pending the getting together of the parties interested, and who have been discussing it and have come to practically a mutual agreement. It is my thought that it is far better to remove a controversy such as this, which is bound to be widespread throughout the West, and to have some mutual basis, than to pass legislation which will create bad feeling and which in any event is bound to injure certain interests in the country.

Hon. Mr. DANDURAND: Are we to understand that, if there is no acceptance by the pool, no agreement to purchase elevators at points where they have none, the Act will not be proclaimed?

Hon. Mr. LAIRD: The Act will remain in force for one year. There is no provision after that period.

Hon. Mr. DANDURAND: It will only come into force by proclamation.

Hon. Mr. LAIRD: By proclamation.

Hon. Mr. DANDURAND: Through Order in Council. When will that Order in Council be issued if the pool does not agree to buy the elevators that are mentioned in the second amendment of my honourable friend?

Hon. Mr. LAIRD: I presume that if the pool make up their mind that they are not going to do anything, then it will be open to the Government to take action. If they do come to terms and take up the offer of the grain trade for the sale of a certain system of elevators, then the Governor in Council will be guided by that.

Hon. Mr. DANDURAND: But would it not be a fair assumption on the part of the Governor in Council that the Act is not to be proclaimed except and until the pool have agreed to the terms mentioned in that clause, and have purchased those elevators?

The Hon. the CHAIRMAN: The amendment proposed is as follows:

This section shall come into force on such date as may be fixed by the Governor in Council by proclamation published in the Canada Gazette, and shall remain in force for a period not exceeding one year from the date that it is assented to.

Should not that be proclaimed?

Hon. Mr. MURPHY: Does not the honourable gentleman require to alter that?

Hon. Mr. BEIQUE: "This section shall come into force"—is very unusual. It should be "This Act shall come into force."

Hon. Mr. GORDON: Before the amendment is put, I want to ask a question in reference to the amendment. Does it not state whether there is one elevator or more?

Hon. Mr. LAIRD: We are not considering that now. That is another section.

Hon. Mr. ROBERTSON: Honourable gentlemen, as I understand it, the effect of the amendment now submitted by the honourable member for Regina (Hon. Mr. Laird), together with notice that he has given of a further amendment, is that the first section of the Bill before us shall be approved subject to it becoming effective as and when the Governor in Council may issue a proclamation bringing it into force.

Hon. Mr. MURPHY: For one year.

Hon. Mr. ROBERTSON: And to continue in force for one year. There are reasons, in my humble opinion, why that would be wise. The honourable member for Bedford (Hon. Mr. Pope) yesterday made a very happy and clear presentation of the facts that probably led up to the coming into existence of the wheat pool. That is to say, the Western farmers felt that they had grievances. Doubtless some of them were real, and many imaginary. Nevertheless, in their estimation they were real, and they finally resulted in the wheat pool arrangement for the marketing of grain.

That is only a repetition of what has occurred in other lines of activity in our national life—in the industrial field and elsewhere. Those who feel aggrieved set about by collective action to remedy their grievance. In other activities where men have finally succeeded in adjusting their grievances we have seen that they are prone, thinking they have the whip-hand and that they may treat the other fellow as he treated them, to take advantage; and I very much fear that if this legislation were passed without any restriction just such a situation might result. Although not a member of the Committee, I listened to the discussion and the evidence submitted to the Committee, and was much impressed with what was said by one gentleman who was representing the pool in the capacity, I think, of secretary of the joint pool for the three Provinces. It was referred to by the honourable the junior member for Moose Jaw (Hon. Mr. Willoughby), though not quite in the identical words used by the gentleman when he gave his evidence. A gentleman representing the elevator interests said that the elevator people were prepared on a fair basis of agreement or arbitration to place the pool in possession of a country elevator at every point where they did not already have one, so that the pool would have their own facilities for sending grain to their own terminals, and that it was a fair proposition. A gentleman representing the pool agreed, and said yes, that so far as his personal view went, it was; but he further said: "I have no authority to accept it; I am acting only in a representative capacity. If I had authority, I would say that as a business proposition it was a fair one." I think he went to the extent of saying that he would be inclined to accept. He was then asked why the people he represented would not accept it; and what did he say? To my mind it was the most significant statement of all the evidence given; he said because the farmers felt that those elevators had in years past paid for themselves several times over, and they were not going to pay for them again. Now, I do not believe that expression represents the views of all of the 125,000 farmers who are members of the pool, but it evidently represents the ambition of certain gentlemen who are promoting this legislation.

Hon. Mr. DANDURAND: I did not miss one minute of the Committee meetings, but I confess that the statement from the lips of my honourable friend surprises me.

Hon. Mr. BELCOURT: Oh, no.

Hon. Mr. DANDURAND: Well, I understood that the pool were not ready to pay the price that was asked, and that they would rather in some instances build their own elevators; but when the grain trade saw that they were in earnest about building elevators they reduced their prices to a considerable extent, and then they bought.

Hon. Mr. ROBERTSON: I fear my honourable friend must have missed that particular remark, because I understand that several gentlemen who were present at that hearing recall very vividly the startling suddenness with which it dawned upon us what the gentleman said and meant. To carry that same thought a little further, what does it mean? Scores of times I have heard gentlemen engaged in agriculture in the West, state that out of the sale of a single crop they had paid for their section of land, in times of good crops. I have known the West rather intimately for over 20 years, and consequently speak with some knowledge of western conditions, though I am an eastern man. Though for perhaps 10 years a given farmer had raised enough off his section of land to pay for that land year after year. Surely no one would for a moment say that that was any reason why somebody should go in and say: "I am going to take your land and raise the crop on it next year." That is what was meant by the statement that was made, and I say that Parliament cannot lend itself to any legislation that would bring about that result.

Hon. Mr. McMEANS: Was that gentleman speaking for himself, or for the farmers at large?

Hon. Mr. ROBERTSON: He was asked why the farmers would object to the acquiring of elevators on the terms suggested by the gentlemen representing the elevator company, and that was his reply.

Hon. Mr. McMEANS: I do not think it is fair to quote, as the opinion of the whole farming community of Manitoba, Saskatchewan and Alberta, a statement of that kind made by one man.

Hon. Mr. ROBERTSON: I distinctly said that I did not know that the farmers held that view, but I said that the gentleman representing the farmers did, and when the pool controls 125,000 farmers it is not the individual farmers who have the disposition of that grain, but it is the pool.

The honourable gentleman from Moose Jaw (Hon. Mr. Willoughby) said yesterday that any company might be put out of business if it was determined to take such a course; therefore I feel that Parliament ought to exercise care to see that no one interest takes undue and unjust advantage of another. Here is a proposal made in good faith, obviously, where the grain interests say: "We agree that our friends of the pool are at a disadvantage because they have not elevators at all the 1,717 country points. We are prepared to sell them an elevator at every point where they have not one. We are prepared to let them choose the elevator they would prefer at each of those points, and in fact where there are several elevators and they want more than one we are agreeable to sell them what their requirements call for." They further said that if the parties could not agree on a price that was acceptable as fair to both, they were prepared to adjust the difference by arbitration.

The carrying out of that suggestion would mean that the grain trade was assisting to put the pool in possession of elevator facilities at every country point, so that every pool farmer could send his grain through the pool country elevators to the pool terminal elevator, and then the two interests would be in direct competition with each other, neither having an advantage over the other.

But without that, by reason of the law as it stands to-day, the pool farmer, who represents 50 per cent of all the farmers in the Prairie Provinces, may bring his grain to the line elevator, and if the line elevator is full those farmers, representing half of the grain shipped from the station where there were perhaps four elevators, may put 50 per cent of the total production of grain through non-pool elevators to the exclusion of non-pool farmers, and therefore force non-pool farmers into the pool against their will. In other words, we would have what in other quarters would be called the closed-shop principle. Furthermore, sending that grain through the non-pool country elevators to the pool elevators would leave the non-pool elevators standing idle at the head of the Lakes; and I say that Parliament ought not to lend itself to assist in making possible a situation of that sort.

Parliament ought to say to both parties, who we believe, from what we have heard to-day, are practically in accord, that their differences should be adjusted on the basis of negotiations for country elevators, and of supplying the necessary equipment and space to handle the pool business. When that is done, and when the Governor in Council is satisfied that both parties are treating each other fairly, then this legislation may be brought into effect by Order in Council; but until the Government is satisfied that both parties are prepared, as we say, to play the game, neither ought to be given an advantage over the other.

I hold that to defeat this Bill would be wrong, because if the farmers' grievance is as has been stated, they would be burdened by that gievance until another Session of

Parliament at least. Therefore I feel that the legislation ought to be passed, but that it ought not to go into effect until the differences between the interests concerned have been terminated in a reasonable way. The proposal that has been referred to just now, and by previous speakers, was not made to the pool until about the time this legislation came before this House, so far as I know, and therefore it may well be that the gentlemen who constitute the board of directors of the pool have not as yet had the time or opportunity to give it full consideration. It may well be that they will come to a conclusion that that is the honest and proper thing to do, to get facilities of their own at reasonable prices at all those country points, as they have provided themselves already with facilities at about 800 points. But they ought not to be put by law in a position of being able to go out and crowd the non-pool farmers, and force the grain through the pool elevators in which those farmers have no interest, to their own advantage.

It may be that non-pool farmers, by reason of circumstances that could easily be imagined, might be forced to send their grain to pool elevators at the head of the Lakes, and therefor give the pool elevators an advantage in regard to non-pool grain. I am sure everybody will agree that it would not be fair to impose that upon them by law. We ought to leave both interests free to negotiate; we should put them on an even keel, equal in competition, and enable each of them to attempt to do the fair thing by negotiation; and when the Government were satisfied they had done that, the law would become operative by proclamation; but if the Government were satisfied that either party was not prepared to treat the other justly, the proclamation would not be issued.

I therefore approve of, and propose to support, the amendment of my honourable friend from Regina (Hon. Mr. Laird), and I hope that the reasons therefor may appear to my honourable friend to be logical.

Hon. Mr. MURPHY: Wherein are the conditions set forth that must be complied with before the Governor in Council issues the proclamation?

Hon. Mr. ROBERTSON: In the amendment of which my honourable friend from Regina has given notice, which is to follow this clause, if adopted, provision is made whereby the grain trade are required to sell to the pool elevators at the points where the pool have now no country elevator, under terms to be negotiated, or agreement if possible, and if not, then by arbitration. I think that is the text and intent of the next amendment, which, if adopted, will make this perfectly clear.

Hon. Mr. MURPHY: Beyond that there is no provision made?

Hon. Mr. ROBERTSON: No, that is quite true.

Hon. Mr. TURRIFF: Would my honourable friend tell me if that offer to sell by the elevator companies includes the terminal elevators also?

Hon. Mr. ROBERTSON: So far as I know, they were not considered; but I would point out that the pool interests have already about 25 per cent of the total elevator capacity at the head of the Lakes, and a little less than 20 per cent of country elevator capacity. The representations made to the Committee, as I understood, were that they were more in need of country capacity, but that they had last year more than double their elevator capacity at the head of the Lakes, and no doubt would continue to increase that.

Hon. Mr. TURRIFF: Without having had an opportunity of looking into this amendment, and trying to judge some of its effects, it strikes me that if it were adopted and the pool secured a large number of elevators from the elevator companies throughout the West, while they have only a comparatively small proportion of the terminal facilities, the holders of the terminal elevators not owned by the pool would be able to hold the pool up for the handling of their grain. For instance, if they would not sell their terminal elevators to the pool they might compel the pool to build terminal facilities to a far greater extent than they have now.

Hon. Mr. ROBERTSON: I do not think there is any possible fear of that situation happening, from the fact that if the pool did not need more country elevators they could bring their terminal elevator capacity beyond what now exists.

Hon. Mr. DANDURAND: But I think the honourable gentleman has made it quite clear that, in his mind, this Act would not be proclaimed if the facility which is given to the pool to buy 1,000 elevators were not taken advantage of by the pool.

Hon. Mr. ROBERTSON: I would not say 1,000: I would say whatever number in their judgment was necessary for their purpose. But if they did not take advantage of that, I would say that it would not be fair that the legislation should be proclaimed, and the pool

permitted to put their grain through the line elevators to the disadvantage of the non-pool farmer, and also to disadvantage of the elevator people so far as their service to the whole community is concerned.

Hon. Mr. CALDER: In my judgment there is a point in the question asked by the honourable member for Assiniboia (Hon. Mr. Turriff). We must put the boot on the other foot. At present the pool has in the neighbourhood of 20,000,000 capacity at the head of the Lakes. I dare say they claim that they require that capacity for the number of elevators they now have; we must assume that. The greater proportion of that capacity came from the Saskatchewan Co-operative Elevator Company. Now, let us assume, for argument's sake, that they buy 500 country elevators. Will they, in turn, have sufficient terminal facilities to handle the grain that would come from those additional 500 elevators? There is a possibility that they would not. Just as I argued for the other protection, I am going to argue now. If they have not sufficient capacity to handle the grain coming from the 500 additional country elevators that they purchased, then I must say I have not grasped the full force of this amendment. But if in turn, through the Board of Grain Commissioners, they should have the right to acquire such proportionate space in those privately-owned terminal elevators as is necessary to take care of their share of the grain, I think that is a matter that could very easily be arranged by the Board of Grain Commissioners and the trade.

Hon. Mr. ROBERTSON: Is it not correct to say that during the rush season for handling grain it often occurs now that when one elevator at a terminal point is full, be it a pool or non-pool elevator, that grain is diverted by agreement, or by order of the Grain Commission, so that no congestion is permitted to occur at terminals so long as there is elevator space available, either pool or non-pool?

Hon. Mr. CALDER: That is not the point. I quite agree that the grain is taken care of in some way; but now I am going to assume, and I think I am right in my assumption, that the Saskatchewan Co-operative Elevator Company did not build more terminal space than was necessary for its line elevators, some 450, the bulk of which elevators are now owned by the pool. We must assume that they have not built more space than was necessary. Now we assume that the pool may go out and purchase or acquire in some way 500 additional country elevators.

Hon. Mr. ROBERTSON.

Hon. Mr. DANDURAND: Or 1,000.

Hon. Mr. CALDER: Or 1,000, and they in turn have the necessary terminal facilities to take care of the grain that comes through their elevators. My argument was all the other way—that we had no right to step in and compel privately-owned elevators to take care of pool grain; but I am prepared to argue now that the pool should be placed in a position where it will be required to have terminal elevators to take care of its grain. So I think there should be an amendment made to the effect that if that condition arises, the Board of Grain Commissioners should have the right to step in and adjust that situation.

Hon. Mr. DANDURAND: Have we not had the statement in the Committee that with the limited number of country elevators which the pool had, they sent out far more wheat than their terminal elevators could take care of, and that a very large proportion went over to the private elevators?

Hon. Mr. CALDER: That was because of the contract which the pool made with the grain trade. Under that contract every elevator in Western Canada gathers grain for the pool, and the pool has not sufficient terminal facilities to take care of that grain which it gathers from private country elevators. That was the reason why they had to turn over to private terminals a very large proportion of the grain belonging to their members.

At 6 o'clock the Committee took recess.

The Committee resumed at 8 o'clock.

Hon. Mr. DANDURAND: I would ask the honourable gentleman from Regina (Hon. Mr. Laird) the purport of the amendment which is now before us. I can understand the first part, which reads:

> Section 1 of this Act shall not come into force until such date as may be fixed by the Governor in Council by proclamation published in the Canada Gazette.

But what is the idea of limiting the operation of this clause to one year, after which it will be null and void, and will disappear from the statute as if it had been repealed? It is very exceptional.

Hon. W. B. ROSS: I understand that the parties interested were satisfied with that and had fixed upon that formula as a settlement of one part of their dispute—that it would be in force for a year, and that after that time it would not be needed; that the Governor in Council might proclaim it at

the end of the first month after the Bill received the Royal sanction; that then it would be in force for eleven months, but that at the end of that time it would be all off, and would not be needed. That is what I understood. I may be wrong.

Hon. Mr. DANDURAND: My honourable friend surmises from the reading of the clause that the need will disappear—that during twelve months certain things will come to pass which will make the legislation unnecessary?

Hon. Mr. ROSS: I do not surmise it from the clause; I surmise from the conversations and from all that I heard before the Committee that if you smooth out this matter for twelve months the situation will have solved itself owing to the very nature of it. There will be enough elevators built or acquired under this Act to settle the whole matter.

Hon. Mr. BELAND: Do I understand the honourable Leader to say that the Act would remain in force only twelve months after it had received the Royal sanction, or that it would remain in force twelve months after it is proclaimed?

Hon. W. B. ROSS: Yes, after proclamation.

Hon. Mr. GORDON: I could understand a provision of that nature if it affected a section similar to the one which I understand the honourable member from Regina (Hon. Mr. Laird) is going to bring in as an amendment after this; but when it relates to section 1 of the Bill I cannot understand why it should only remain in effect for one year.

Hon. Mr. McMEANS: It may never come into effect at all.

Hon. Mr. Gordon: That is just the point.

Hon. Mr. McMEANS: It is a very simple matter to me. This has been forced on the Senate in the dying days of the Session. We have never had the evidence printed, and anyone listening to this discussion would be very much mystified. The situation needs clearing up. If we say we will deal with this now for only a year we will be doing no harm one way or the other, and after that time or before the expiry of the year we may be in a better position to deal with the situation. I think my honourable friend will agree that the situation is rather a difficult one. I for one would like to read all the evidence before saying what conclusion I should come to. I think this is a wise provision. It cannot do any harm in the meantime, and will clear up the situation.

Hon. Mr. BEIQUE: But the evidence was not taken in writing.

Hon. Mr. McMEANS: I thought the shorthand reporters were there.

Hon. Mr. DANDURAND: No.

Hon. Mr. McMEANS: They were there for part of the time. Was not the evidence taken on the Rural Credits Bill?

Hon. Mr. DANDURAND: I tried to obtain the evidence of one of the principal witnesses in order to refresh my memory, and I was informed that only the Grain Commissioners had been reported.

Hon. Mr. McMEANS: In any event, the matter will probably be discussed thoroughly in the press throughout the country during the year, and probably a new Bill that will settle the question will come to us next Session.

Hon. Mr. MURPHY: The honourable gentleman is assuming that this would come into force and be in force for a year.

Hon. Mr. McMEANS: No.

Hon. Mr. MURPHY: I am glad to hear him say that, because this Bill is inert, it is without life and effect until a proclamation is issued, and if a proclamation is not issued the Bill is a dead letter.

Hon. Mr. McMEANS: Suppose this body in their wisdom decide to reject the Bill entirely, it would be inert?

Hon. Mr. MURPHY: Quite so. The effect is just the same.

Hon. Mr. TURRIFF: Through faulty hearing, or otherwise, I have not been able to understand the position we would be in if the amendment were carried. What I want to know is what would happen if the amendment were carried and the proclamation delayed a year.

Hon. Mr. SHARPE: The Bill would be dead.

Hon. Mr. TURRIFF: Would the Bill as passed last year be in force?

Hon. Mr. McMEANS: Yes.

Hon. Mr. TURRIFF: Then I am absolutely against accepting the amendment.

Hon. Mr. LAIRD: The honourable gentleman asked me a question. I would answer by simply stating that that was the specific wording which was suggested by the pool interest when they were approached with regard to this amendment. It is their wish.

Hon. Mr. DANDURAND: On this point, I understand that there is one gentleman who does not occupy the most prominent position in the pool, and who has been here with more important or more responsible representatives, and who is now confronted with this offer which is made. I do not know whether he is jumping at it or is bowing to necessity, but he has not got in contact with the three pool organizations of the Western Provinces, and I would not accept the statement that the wheat growers of the West are satisfied with these amendments unless the representatives of the three Provinces in the two Chambers expressed their satisfaction. Of course, if the representatives of the three Western Provinces in this Chamber declare that they are satisfied, and that they speak for the wheat growers of their Provinces, that may be sufficient to carry the amendment.

Hon. Mr. GORDON: You speak of the wheat growers of the West. I suppose you mean the pool?

Hon. Mr. DANDURAND: I mean the farmers, because I do not believe there is any antagonism between the wheat growers of the West who are in the pool and those who are outside. Those who are not in the pool have continued doing business as heretofore, and are awaiting the experiment of the pool to decide whether or not they will come in. As I understand it, there are not two factions in the West. I believe that there is no rivalry between them, but that the non-pool farmers are looking with sympathy upon an experiment which may be a great success, and in which they may join.

Hon. Mr. SHARPE: Mr. Hoey, who is here representing the pool, consulted the members in another place, and had their consent.

Hon. Mr. MURPHY: Which members, may I inquire?

Hon. Mr. McMEANS: The Liberal members.

Hon. Mr. SHARPE: No, the farmer members, the Progressives of the other House, and he has given his approval to that amendment.

Hon. Mr. MURPHY: Does the honourable gentleman say that the gentleman to whom he has referred consulted with the farmer members?

Hon. Mr. DANDURAND: From the three Western Provinces?

Hon. Mr. MURPHY: All the members from the three Western Provinces?

Hon. Mr. SHARPE: I could not say that. He consulted a large number of them.

Hon. Mr. TURRIFF: There must have been a misunderstanding on the part of my honourable friend, because the gentleman he names as representing the farmers—I do not know whether he represents the farmers or not—is a pool man?

Hon. Mr. SHARPE: Yes.

Hon. Mr. TURRIFF: But he has no authority.

Hon. Mr. McMEANS: He is an official.

Hon. Mr. TURRIFF: He has no authority from the pool members in Alberta, Saskatchewan, or Manitoba, to accept these amendments, and could not accept them if he wanted to, and I doubt very much if he does.

Hon. Mr. WATSON: I was just going to remark, as Mr. Hoey's name was mentioned before six o'clock, that I happened to meet him in the dining-room to-night. I asked him if he had agreed, and he said: "No, certainly not. I have no authority to agree, and I am not going to get mixed up in this affair."

Hon. Mr. SHARPE: I met Mr. Hoey on the road to this Chamber since I had my dinner, and he told me he had no authority to speak for the pool, but, so far as he was concerned personally, he would accept the proposition, and that would be his advice to the pool.

Hon. Mr. MURPHY: I do not know what the procedure in this House may be, but it is customary, I think, in legislative assemblies to hear a statement of this kind from the honourable gentleman promoting the Bill. That occurred to me when the honourable gentleman from Regina (Hon. Mr. Laird) stated that he had not any knowledge on the subject, but that his information was thus and so. May I inquire from the promoter of the Bill whether the amendment in the form in which it is before the Committee is acceptable to those for whom the honourable gentleman has spoken, and spoken very well.

Hon. Mr. TANNER: May I ask for whom the honourable gentleman on the other side are speaking?

Hon. Mr. MURPHY: I am speaking for myself in my capacity as a member of this House.

Hon. Mr. McCORMICK: As a member from the East, I have tried to gather from the discussion that I have heard how I should act and vote on this matter. I gather that during the early years after the colonization of the

Prairie Provinces there was no other means of transporting and handling the grain except that provided by some men who invested their capital in this enterprise under the sanction of the law. With the development of the West —which we are all pleased to see—we find that the farmers and the people who are settled on the prairies have attained a better position, and they feel that they should receive all the advantage possible from the growing and handling of the product which they raise. Nobody quarrels with that idea. So far as I am able to gather from what I have heard, there is an attempt to take from certain people what they had before—that in the past two or three years there has been a change with regard to the handling of grain owing to the acquisition by the pool of a very large proportion of the grain-handling facilities. Notwithstanding all the doleful tales that we have heard about the miseries and hardships of the people of the West, they are now in a position to expend some of their money in providing these facilities, and perhaps they desire to acquire some of the income of those people who originally invested their capital during the early years. While we desire to give the farmers every possible advantage from the growing of grain and the other products of the prairie, speaking for myself, I do not want to perpetrate an injustice on the people who under the law of the country invested their capital in the first instance to facilitate the handling of grain when there was no other way of handling it. For this reason I am in accord with the amendment of the honourable gentleman from Regina (Hon. Mr. Laird).

Hon. Mr. GILLIS: It seems to me somewhat unfortunate that the names of persons either for or against this Bill should have been mentioned in this House. It is an unusual thing. This Bill has been before this House for a considerable time, and we have had every opportunity of considering it both before the Banking and Commerce Committee and in the House for some days past.

As to the Bill itself, I might say that at the outset I was in favour of it, and I still favour the principle of the Bill. I feel that the farmers of Western Canada who produce grain by their own toil should have every opportunity of marketing it to the very best advantage. On the other hand, it is contended that certain interests will be disturbed by the passage of this Bill.

I am not going into any details, because the Bill has been discussed in every shape and form, from every standpoint. I have come to the conclusion that under the amendment of the honourable gentleman from Regina (Hon. Mr. Laird) there is a possible chance of matters so adjusting themselves during a period of say one year, as to enable both parties to come together and so arrange that no hardship will be imposed upon anyone. I think that we should eliminate altogether the feeling of any outsiders, and view this Bill from the standpoint of the general interest. Let us deal with this matter on its own merits. These are my views on the question.

Hon. Mr. DANDURAND: Honourable gentlemen, one cannot discuss this amendment without thinking of the other one which will follow. This amendment recognizes the principle contained in the Bill, and accepts the point of view of the farmer who claims that he should have the right to select his own terminal elevator, but limits that right to a year; and the amendment tells the trade that this concession is made to the pool members because there is added to it an obligation on the pool to buy a certain number of their elevators in the country.

Hon. Mr. McMEANS: No, there is no obligation at all.

Hon. Mr. LAIRD: There is an obligation on the grain trade to sell, but no obligation on the pool to buy.

Hon. Mr. DANDURAND: No, but the pool will only get this legislation by Order in Council if it buys those elevators. That is the question I put to my honourable friend from Welland (Hon. Mr. Robertson), and he said that certainly the Order in Council or proclamation would not issue if the pool did not buy elevators at those various points. I do not know how many they are to buy; is it a thousand?

Hon. Mr. McMEANS: Then I read the amendment wrongly. I understood that it referred only to section 1 of the Bill, and did not refer to the second amendment at all. The Act does not come into force until proclamation by Order in Council. That does not apply to the second amendment proposed by the honourable member for Regina (Hon. Mr. Laird).

Hon. Mr. DANDURAND: But the two amendments stand together, and form part of the whole scheme. The transfer of the authority of Parliament to the Governor in Council is for the purpose of having the three pools give a fair deal in the purchase of the thousand elevators that they will need at the points where they have no elevators, and I am told that these powers given to the Gov-

ernment will act as a lever for bringing into action the three pools, and forcing them to do the fair thing by the grain trade, by buying those elevators.

Hon. Mr. McMEANS: The honourable gentleman seems to forget that there has been a recent change of Government.

Hon. Mr. DANDURAND: Why should my honourable friend be so much affected or haunted by that idea, because the Government of yesterday is not the Government of to-day? How long is the Government of to-day to be there? I am thinking of the Government of Canada, not of the Government of this day. Who knows who will be at the helm in a month, or two months, or six months? But I ask my honourable friend from Manitoba: if I dared a month ago to come before this Chamber and ask for that power for my Government, would he have stood up and voted for it?

Hon. Mr. McMEANS: Under the same circumstances I would. I would not oppose the Bill at all. I did not rise to oppose this Bill, but merely to ask an explanation as to the amendment. The way it appears to me is this. A change of conditions has arisen in the West; a pool has been recently formed. There are those who say that this pool is bound to be an unqualified success. On the other hand, I have talked to gentlemen of a great deal of experience in these matters, and men of the grain trade, who tell me that this pool is on the crest of the wave, and that it will disappear very shortly. Then in regard to this Bill, in a year from now this House and the country at large will be in a better position to say whether the pool is going to be such an unqualified success as has been prophesied. If it is not a success we will go back to the old state of affairs, and this legislation will be unnecessary. If the pool is a success, the organization will be bigger and stronger, and the legislation that is proposed at a later time may not be at all suitable. That is one reason why I thought that if a year were allowed to elapse before any positive legislation were brought in it would be better.

After all, the pool is only in embryo: it is only an experiment. There are a great many farmers in Manitoba, to my knowledge, who refused to join it, for certain reasons, and this condition of affairs is uncertain. The pool is a great force, but a new force, that has arisen. How long it is going to operate, or whether it is going to be a success or not, we cannot tell. Under those conditions I can assure my honourable friend, without qualification, that if his Government had been in the same position, and proposed the same thing, he could have looked to me as one of his supporters.

Hon. Mr. DANDURAND: Well, there is one thing that surprises me very much. Here is the grain trade that says: "We have $85,000,000 of capital invested in this venture, and you are about to wreck our organization, and wipe out our capital; and yet to-day we feel that if the pool operators will buy a certain number of our country elevators at a cost of $7,000,000 or $10,000,000 we will be satisfied." I cannot understand that position.

Hon. Mr. LAIRD: But the honourable gentlemen heard those gentlemen make that proposition in the Committee?

Hon. Mr. DANDURAND: Oh, yes I heard it.

Hon. Mr. LAIRD: It is not for us to answer it; it is for them to answer.

Hon. Mr. DANDURAND: Undoubtedly, but I have a right to weigh that offer. They offer to sell elevators to the pool wherever the pool has no elevator. But what has that to do with the principle contained in this Bill? The pool people said: "But we can buy elevators; we can build elevators; we can go to you or to any elevator company and make a bargain; we can make a dicker; we can arrange to buy; we do not need the legislation that is contained in the amendment."

Now, this is what I cannot understand —that the grain trade are so anxious to sell to outsiders a certain number of their country elevators, because they would thus strengthen their rivals; by so much. They would be putting in the hands of their rivals a number of feeders, and thus hasten the day when that competition would go increasingly against them. That is the problem which is facing me, and I cannot understand why the grain trade made that offer to the Committee, and now repeats it to this Chamber through a member of the Senate.

We have the honourable the junior member for Moose Jaw informing this Chamber that in two or three years the pool people would not need this legislation, because they would dominate the situation.

Hon. Mr. CALDER: I have been repeatedly referred to as the honourable member for Moose Jaw. We have two members from Moose Jaw in the House at present, my old friend on the other side of the House, Senator T. H. Ross, who has been a Senator for a good many years, and Senator Willoughby on

this side. My residence is Saltcoats. My honourable friend to the right here (Hon. Mr. Willoughby) is being credited with all my statements.

Hon. Mr. DANDURAND: The honourable gentleman from Saltcoats has repeated the statement of some of the pool representatives, that in a very few years they would not need this legislation because they would dominate the situation. Now, to me that is fatal, for if the pool has the success which it seems to have, and if it grows normally, as it seems to be growing, they will draw into their ranks a very large part of the farmers that are not members to-day. Under those circumstances it seems to me that it is a very short-sighted policy on the part of the grain trade to refuse this legislation to the pool farmers, because if they succeed in baulking it, in having it rejected, they will simply force those pools to exert themselves to meet that situation, and the pools will find a way of equipping themselves, and will do so to the loss of the grain trade, to their own loss, and to the loss of the country, because I believe, from what we have been told, that there are enough country elevators throughout the West, and enough terminal elevators at the head of the Lakes, to meet the requirements of the West for some years to come.

If we do not grant this legislation we simply accentuate the activities of the pools, and their determination to cope with the difficulty which is presented to them; while if we grant this legislation, and restore to the farmers what they claim to have been their rights —and I believe to have been their rights under the law of 1912—we satisfy the pool organizations, who feel that they have no grievance, that they have been dealt with equitably by this Parliament, and we put them in a mood to enter into an agreement with the elevator companies for carrying on their business jointly, and to their mutual satisfaction.

Honourable members of the Committee remember that Mr. Pitblado said: "We are ready, and we have been ready, to make contracts with the pool people to carry their grain; we did so last year under an agreement." That agreement was read to us, and he added: "We are ready again to enter into an arrangement with them." I said to him: "But you would like to have the whip-hand?" He stopped for a moment, and then said: "Yes, so would the pool people like to have the whip hand in entering the conference, and discussing with us." Now we are just at the crux of the difficulty. Who will have the whip-hand? The grain trade think they have it now, through the legislation passed in 1925.

There is something very extraordinary, honourable gentlemen, as to what happened last year. We have the western farmer; we know his difficulties, how he is handicapped by the fact that he is a thousand miles and more away from the Lakes. He is a formidable distance from his market. He has to move his grain to the seaboard, and to send it across the ocean and land it at Liverpool. When his grain leaves his farm he knows the quotation of grain at Winnipeg or at Chicago, and he sees it leaving his farm and moving towards the market. As it moves he has a little margin of profit, sometimes small, and it goes on diminishing, being gradually eaten up, and sometimes his returns leave behind two-thirds of his profits, and all members who come from the West know that in some years his lean profits were turned into deficits. He has the goods, he produces the crop, but when it comes to his returns he sees them vanish because of the formidable cost of transportation and the charges of the middlemen. He has had suspicions that he has never had a fair deal; that the middlemen were watching for his grain and sometimes making a large profit, while he has hardly enough to pay his hands. That sentiment has grown through the West, and, joined with the difficulty of spreading returns from his sales throughout the year, he has readily come to the conclusion that the co-operative system offered him was his salvation in the handling and marketing of his grain, and in the selection of the day when it should be sold.

This is why 125,000 farmers have flocked to the pools. They have feared that they had not a fair return for their grain when they supplied it to the strange hands that manipulated it as far as the boats.

Hon. Mr. LAIRD: Pardon me. Surely the honourable gentleman must know that for a number of years, in every one of the three Western Provinces, there have been farmers' co-operative companies operating in the grain business and handling a very large volume of the farmers' grain. So to say that this pool is a new movement on the part of the farmers cannot be correct.

Hon. Mr. DANDURAND: I do not say it is something new, but the vastness of the movement is something new. There have been co-operative societies, I know, and grain organization in the three Provinces, but we have never before seen them co-operating for the single purpose of retaining possession of their grain, transporting it to the market, selling it, and getting from it all the returns they can after paying what they believe to be legitimate costs.

I need not repeat that they considered that there were profits in the mixing of grain and in the premiums which were being received and did not come to them. They are proceeding to demonstrate, or they believe after one or two seasons that they have already demonstrated, that there are profits there that should come to them. This appeals to me. We have been talking at this Session and in past Sessions of things that might benefit the West and the Western farmer. We have passed the Farm Loan Bill.

Hon. Mr. LAIRD: It appeals to all of us just as much as it appeals to the honourable gentleman.

Hon. Mr. DANDURAND: Yes, it appeals to all. The grain trade say that the country elevator does not pay them; that it means a loss to them; that they are not receiving a sufficient fee for the reception of grain at the elevator. They insist that the country elevator—

Hon. Mr. GORDON: Right there, may I say that I happened to be in the Committee part of the time, and my understanding was that Chief Justice Turgeon had stated that the country elevators made a profit of four-fifths of a cent per bushel.

Hon. Mr. DANDURAND: Yes, but the grain trade have claimed that that was not a sufficient return—a paying rate.

Hon. Mr. GORDON: I see.

Hon. Mr. DANDURAND: And they have insisted upon recouping themselves at the terminals. I say, all right, they may recoup themselves at the terminals for the grain that is their own. We have been told that the purpose in building those country elevators was first to purchase the grain and then to transport it to the terminals. On all the grain that they control, by purchase or otherwise, they are welcome to all the profits that they can get from the turover; but it is not all right when they say, "We will control the grain that is not ours and will take the profits on it as if it were our own grain." If they were content to do simply an elevating business in the terminals at the head of the Lakes, we could understand their operations; but they are not simply doing an elevating business at those terminals and unloading the grain into the boats. They perform other operations while in possession of that grain, and that is the reason why the farmer is striving to retain the ownership of the grain up to the moment when it is sold at that point.

I heard Mr. Pitblado explain that the law before 1925 had for its object to allow the farmer freedom to chose his terminal point, but not the terminal elevator. Mr. Pitblado made on that point a disquisition which seemed fairly logical. I tried to grasp the essential elements of his argument and to apply his statement to the Act itself. I tried to get a copy of his opinion: I could not get it. But when I look at the Grain Act I am at a loss to understand upon what clauses Mr. Pitblado founded his argument, for I do not see any point corroborating the argument that he made. On the contrary, I find in section 159 that "if either party so desires"—that is, the farmer, or, if the farmer does not express any wish, the grain company —the grain is deliverable

—on track at any terminal elevator in the Western Inspection Division, on the line of railway upon which the receiving country elevator is situate, or any line connecting therewith, so soon as the transportation company delivers the same at such terminal, and the certificate of grade and weight is returned.

I have read simply a phrase from section 159. Perhaps I should read the section at length:

Such receipt shall also state—

That is, the receipt which the farmer gets at the country elevator—

—upon its face that the grain mentioned therein has been received into store, and that upon the return of such receipt, and upon payment or tender of payment of all lawful charges for receiving, storing, insuring, delivering or otherwise handling such grain, which may accrue up to the time of the return of the receipt, the grain is deliverable to the person on whose account it has been taken into store, or to his order, from the country elevator where it was received for storage, or, if either party so desires, in quantities not less than carload lots, on track at any terminal elevator in the Western Inspection Division.

Not to any terminal point, but to any terminal elevator in the Western Inspection Division. And the receipt he gets contains also this same phrase:

Upon the return of this receipt and tender or payment of above named charges accruing up to the time of the return of this receipt, the above quantity, grade and kind of grain will be delivered, within the time prescribed by law, to the person above named or his order, either from this elevator or warehouse, or, if either party desires, in quantities of not less than carload lots at any terminal elevator in the Western Inspection Division.

Not to any terminal point, but to any terminal elevator in the Western Inspection Division.

Hon. Mr. McMEANS: What construction would the honourable gentleman put upon those words, "if either party desires"?

Hon. Mr. DANDURAND: I would say that the owner of the grain, when he brings it to the country elevator, can declare where he wants it to go. If he has expressed his desire, I would say that that is the law. The elevator agent may then accept or refuse the farmer's grain, but if he accepts it under that condition he accepts the desire that has been intimated to him on taking possession of the grain.

The clause I have just read relates to the storage receipt. Schedule C, "storage receipt for special binned grain," contains the same condition:

—if either party so desires, in quantities of not less than carload lots at any terminal elevator in the Western Inspection Division.

That was the law up to 1925. If either party so desired, the grain went to a certain —to any—terminal elevator. That provision was not utilized to a considerable extent up to 1923, but it was utilized. Four or five members of the House of Commons come and tell us that they have exercized that right—that they have expressed their preference, and that it has not been challenged. We have there an indication of a practice that must surely prevail to a degree beyond the 2 per cent which Mr. Pitblado mentioned. He said that 98 per cent of the grain came in from the country elevator without any attempt at direction by the farmer. Well, when a few farmer members come here and say, "Our practice has been such-and-such," it seems to me that it must have existed to a considerable extent throughout the West. The farmers have organized to keep control of their grain, and when they are purchasing country elevators and terminal elevators and desire to exercise that right, Parliament intervenes and says, "You shall not exercise it." Just at the moment when the farmers in very large numbers and for a very large amount of grain are about to make use of that privilege, there comes this change.

And how does it come about? In a most extraordinary way. Here is a Commission presided over by Mr. Justice Turgeon, of Saskatchewan, who has had a very large experience in the West, having been there certainly a quarter of a century, and who knows the conditions. He is asked to frame a Bill to be presented to Parliament, and he happens to strike that very question of the right of the farmer to indicate the terminal. The Grain Commissioners say: "Our intention was to make sure that the farmer would have the right to select his terminal point, either Vancouver or Fort William." But Mr. Justice Turgeon does not see it in that light, and he wants to clarify the Act. Of that expression, "if either party so desires," what does he say? Speaking of the farmer, he says, "if he so desires." The desire of Mr. Justice Turgeon is to clarify the provision in the interest of the farmer's right. The Bill comes before us. We clarify the condition, but do so in the interest of the grain-elevating people. That is what we do.

Now, I claim that the law allowed a certain right to the grain-grower. He exercised that right. I would like to be shown what other construction can be put upon this clause 159 than the construction which I have put upon it in reading it, namely, that if either party desired, a certain terminal elevator could be selected by preference. Surely a joint right existed. The question has been put to me, who had the first opportunity of exercising that right? I say the owner of the merchandise, when he brought it to the country elevator. The effect of the present Bill is simply to recognize the right of the farmer, but to make it clear in the way recommended by Mr. Justice Turgeon. I claim that that is the fair interpretation to give to the law as it existed prior to 1925.

In the ordinary course of business one has to meet new conditions which are very detrimental. A business may be prosperous up to a certain time; then it may meet competition in the form of new inventions, and it goes by the board. The grain trade are facing competition. But they are organized. They have their terminal elevators, they have feeders, and they still control a large quantity of the grain, which will move from their country elevators to their terminals. If this Bill passes they will simply face a very important client with whom they will have to deal. I think it is recognized that the pool at present have not the necessary capacity at Fort William or Port Arthur to handle all their grain. Those other companies will surely be required under contract to handle part of the grain belonging to the pool. They did so last year, under contract. I am sure they are desirous of coming to terms with the pool interests as quickly as possible, in order that their rivals may not build alongside of them in the country and at the terminals.

It has been argued that the pool will play one terminal company against another—that they will starve A while feeding B and C. Well, the terminal elevator companies are composed of business men, and I should not be surprised to hear that they had some general understanding amongst themselves. If they have not, they can come to an understanding. Surely by coming together they

can protect themselves and make arrangements with the pool in order to prevent the pool from building other terminal elevators and from spending millions of dollars in duplicating the country plants. We have no interest in doing anything which would bring about that condition of affairs. Our farmers in the West need their money. They are not eager to spend $10,000,000 or $15,000,000 to buy country elevators and to acquire or build terminal elevators. We are not interested in allowing them to do so. We know their need for money. It has been said that Saskatchewan alone could absorb $100,000,000 of money for use by the farmers. We are interested in the prosperity of the farmers of the West, and should do everything possible to prevent them putting their money into a duplication of elevators throughout the West. As I have said, there are already enough elevators. Let us grant the farmers the right, which they had, of declaring where they want their grain to go, and we will more surely bring these two great institutions together and save a large and useless expenditure.

To me the amendment is absolutely unacceptable. We should not give to any Government a right which appertains to Parliament. We should not put any Government in the position of an umpire or arbitrator between these two big interests. Governments are composed of human beings and are often influenced by political considerations. My honourable friend from Manitoba (Hon. Mr. McMeans) last week would have admitted the soundness of my statement; now he shakes his head as implying the opposite. Sooner than he thinks he may return to his attitude of last week.

I would perhaps be willing to accept the last part of this amendment, to make this Bill operative for one year. That would not be as disagreeable to me as the whole amendment. There might be some sense in the view that this Act should be placed on our Statute Book for a year, to see how it will operate and how the parties will deal with each other; but it would be unjust and unwise to throw upon any Government the responsibility of sitting in judgment between these two vast interests. If there is not a majority of this Chamber in favour of clarifying the Act of 1912, as suggested by Mr. Justice Turgeon, I would much prefer an amendment wiping out the clause of the Act of 1925 and re-establishing the farmers in their full rights under the Act of 1912. But I believe that we should not involve the farmers in lawsuits. If we return to the Act of 1912 without any clarification, it is very likely that lawsuits would ensue, with the result, I believe, that the farmers would win. But as I feel that the farmer has a right to follow his own grain to this own terminal elevator, I am disposed to vote for the clause before us and against the amendment proposed by the honourable gentleman from Regina.

Hon. J. G. TURRIFF: Mr. Chairman, I would like to say a word on one phase of this question that to my mind has not been dealt with to any great extent. We have heard a good deal in the Banking and Commerce Committee and in this House to the effect that the pool farmers were trying to gain an advantage over the elevator companies; that what they were really trying to get by the Bill before us amounted practically to confiscation of the rights of men who have put money into elevators throughout the country. I would like to ask the honourable members of this House: Who asked those men to come forward and put their money into elevators? It was not the farmers; it was the grain elevator men. And they are now combined into one great company.

In years gone by, more especially during the past few years, competition amongst the elevator men induced them to build elevators for the use of the farmers all through the country. They wanted to bring volume, as they said, to their business, and to my knowledge they put up elevators in towns of a few hundred people where there were already two or three elevators doing business and making money simply as internal elevators. Two or three companies would have elevators alongside one another, and if there was a good crop perhaps they would both make money. But neither of them was satisfied. And if someone else attempted to come into that town and build another elevator, what did they do? The old elevator people had a good knowledge of the surrounding country, and they turned to and built, or got someone else to build another elevator at that point in order to compete. They put their money in there with their eyes open. The lawyers may say what they like about the law as the elevator men understood it and as the farmers understood it. I say the elevator men had a perfect knowledge of that, but still they went on and built four or five elevators at a point that only justified two, and naturally five elevators could not make money where two had done so.

Did you ever hear, Mr. Chairman, of anybody being able to get rid of the embarrassment of over-building by coming to Parliament and asking permission to compensate himself for his folly? Take the case of a

merchant, for instance. When there is a good crop a merchant in the West does a roaring trade for several months of the year. He sells out his stock at a good profit and buys more goods. The next year the crop amounts to perhaps only one-third of the good crop. What does the merchant do? He has to curtail his business. He probably loses a great part of what he made in the good year. What would you think of such a man if he came to Parliament and said: "I had good business last year, I had good business the year before, and made some money. I went on building and expending money to put myself in a position to do a good business last year, but last year we had a poor crop, and two or three new merchants came into the town and built up-to-date stores, and competition was keen, and I have not been able to make a dollar to pay for the improvements." That is exactly the position taken by the elevator companies. Do you think, Mr. Chairman, that the farmer should pay the losses of the elevator men because they misjudged their business, and went ahead too fast and spent too much money? We have now in the three Prairie Provinces two elevators for every one that is needed, no matter how big the crop is.

Hon. Mr. CALDER: May I ask the honourable gentleman a question? He was present at nearly all the meetings of the Committee. Would he kindly tell the House what witness gave evidence to the effect that we had too many elevators in Western Canada?

Hon. Mr. TURRIFF: Well, Mr. Chairman, I am not going by the evidence that was given before the Committee.

Hon. Mr. CALDER: The honourable gentleman will admit that that matter was under discussion, and that witnesses who appeared before the Committee were asked whether or not there were too many elevators to serve Western Canada. The honourable gentleman is making a very bald assertion. He states that there are two elevators for every one required. All I ask is that he give us the name of the witness who said that.

Hon. Mr. WATSON: Burnell said so.

Hon. Mr. DANDURAND: I had the question written down to put to someone. It was stated that there were too many, but what the proportion was I do not know.

Hon. Mr. CALDER: It was stated that in the lean years, when there was not a good crop, there were too many; but the evidence as I remember it was that when there was a bumper crop such as we had last year there were not too many.

Hon. Mr. TURRIFF: Mr. Burnell in giving his evidence stated, I think, that in his own town—

Hon. Mr. CALDER: At certain points, yes.

Hon. Mr. TURRIFF: He said that there were four elevators in his own town in Manitoba, and that the pool elevator took in, if I remember rightly, 390,000 bushels of grain—

Hon. Mr. CALDER: 300,000 bushels.

Hon. Mr. TURRIFF: —and that of the other three elevators, one took in 28,000 bushels, one 40,000 bushels, and one a little less than 40,000—a total of less than 100,000 bushels. That shows that in that town there were two elevators too many. Even with a bumper crop there was no more wheat than would justify the erection of two elevators. The ambition of the elevator companies to get a bigger share of the 400,000 bushels marketed there led them to build four elevators. Now, should the farmer pay for the building of those four elevators? He had nothing to do with their building. He did not induce those men to build the elevators.

Hon. Mr. LAIRD: May I ask if the pool did not build the fourth elevator at that place.

Hon. Mr. TURRIFF: I do not know who built it. The pool wanted to get a share of the crop, and if they built the fourth elevator my honourable friend must acknowledge that they had good common sense and good men in charge and good men at the elevator, and that they had a sufficient number of members of the pool around that town to justify them in building the elevator.

Now, has the farmer not a right to have his wheat go down to Fort William to his own elevator? Even if he cannot put it into his own elevator at the country point it is to the advantage of the country elevator to get some of the pool wheat. As a matter of fact, the country elevators have made agreements covering many elevators throughout the country at points where the pool had no elevator. Does it not seem reasonable that such farmers should get what comes out of their own wheat, and that they should send it to their own elevator?

Now, some honourable gentlemen who were not at the Committee meetings may not understand this question. I do not know that I understand it so very well myself, but having lived for many years in the West, and

having marketed 1,600 bushels of grain in the year 1880, I know something about it. We had no elevators at that time, and through lack of them, and lack of licenses for grain dealers to buy, I did not get one dollar, not one cent, for my 1,600 bushels that I had plowed and sowed and reaped and threshed largely with my own hands; so I lost my 1,600 bushels of wheat.

The farmer's row has been a hard one, as my honourable friend from Compton (Hon. Mr. Pope) stated the other day. The farmers have had an uphill row to hoe, but they have kept hoeing until they have now got into a better position through this pool, by which they think they can handle their wheat and get all the profits out of it. They wish to put their wheat through pool elevators, of which there is a legitimate number, and they are willing to pay such price to the grain elevators for their work as will be sufficient to make the elevators pay. But if two or three elevators are built where there ought to be one, there will not be sufficient revenue to make all of them pay. Should the farmer be punished for over-building? I say no. I say, let the farmer get his fair share of his own wheat.

What do the people of the Prairie Provinces think of this Bill? From all I have heard I believe that 95 per cent of the people of Manitoba, Saskatchewan and Alberta are in favour of it, and they do not believe for one moment that they are doing an injustice to the grain men, or confiscating their money. As Mr. Burnell said when speaking in Committee about making the farmers purchase the elevators, they have paid for them already, some of them several times. From my own experience I know that in many cases grain men have paid for their elevator in one year, and paid for it out of the money of the farmers. In my little town where there were only a couple of hundred people, where we knew pretty well what was going on in all the elevators, an elevator man, whose building had not cost more than $8,000 or $9,000 in those days when construction was cheap, told me that after the season was over and the wheat was all shipped out he had 3,000 bushels surplus. I never mentioned this before, because I thought the elevator man did not want it spoken of. That was a year when we had first-class wheat, but I do not remember anything about the grades; there was no talk about grades at that time, away back in the early nineties. Many of the elevator companies have paid for the elevator in one year, and that is what made them so ready to go on building elevators when they were not sure of getting a great amount of wheat to handle. Why should the farmer be put up against a proposition of that kind? And why should we, by legislation, want to make him pay for that?

I voted for last year's Bill. I did not understand it, but I went to a man in whom I had the greatest confidence, and I saw my own leader in the other House was supporting the amendment that was put in last year, and my friends said it was all right. But according to Mr. Pitblado the whole onus of that last year's Bill is put on Mr. Crerar and Mr. Forke. Mr. Forke has repented of his sin, if it was a sin to vote for that; he has repented of his action, at all events, and he supported the Bill of this year cancelling the clause that was inserted last year. Mr. Crerar was down here, and canvassed for the Bill last year, and I think the statement is true that it was largely through his influence that last year's amendment was passed; but we do not find him down here this year, and do not find him writing to his friends asking them to see that that amendment is not repealed. Why? Because, being a good and honest man, he sees that it was a mistake. It has been said that a fool never changes his mind, but that a wise man does so sometimes. Well, evidently Mr. Crerar has changed his mind; certainly Mr. Forke has, and the House of Commons has done so all through, because this Bill before us, as it came to us, had passed through the Committee of Agriculture in the House of Commons, which has 100 members, and the Bill got all its readings in the House of Commons without a single vote against it.

Now, honourable gentlemen, are we going to vote against this Bill? I am one of those Senators who believe in the absolute independence of the Senate, uncontrolled in any way by anyone, or by the House of Commons. Ever since I came here I have taken my own course, not caring much who it pleased or who is did not please. If I think a Bill is right I support it. When a Bill comes from the House of Commons I always say to myself: 'Well, what will you do, my boy, if you are called upon to explain your action?" And as I take my course and say to myself: "Now, if you are called upon to defend that action in any part of Canada what position can you take?" Unless I can say to myself, and feel, that I can defend my course successfully I will not vote against the wishes of the elected representatives; but if I feel that the Bill is not just, and that I could not defend passing it, I do not hesitate at all to vote against it, and I do not object to any man voting against any Bill that comes before us here.

But this Bill was passed unanimously by the House of Commons, in which the West has about fifty representatives, and if we throw out this Bill we create a rankling sore feeling in the breasts of hundreds of thousands of farmers in the Prairie Provinces. They cannot vote against us, simply because we do not need to have an election. They cannot get at us. But let me say one thing, that the farmers will be sore, because they will feel that we have delivered them into the hands of their enemies; and who will they wreak their vengeance on? Not on the Senators, because it is of no use; but our action will send an avalanche of farmers to join the wheat pool. There is no question of that at all; none whaever. It will do another thing; it will be apt to start an agitation against this House for going against the wishes unanimously expressed by the representatives of the people in the other House. That is what it will do, for sure.

Hon. Mr. GORDON: You would not mind that, would you?

Hon. Mr. TURRIFF: Not a bit; I would do what I thought right, irrespective of the other House, or the farmers, or anybody else, and that is what a great many will do who do not think like me, but who will be just as honest in their views as I am. I do not object to that, but I am just giving my opinion of what will happen if we take a certain course.

Hon. Mr. GORDON: Might I ask my honourable friend why he should take up so much time in talking on this Bill if, as I understood this afternoon, these two factions have come together in some way? If they are satisfied, who is dissatisfied?

Hon. Mr. TURRIFF: I will answer that in this way. To my knowledge, the farmers have been up against the Grain Exchange for 45 years—the grain trade, rather; I would not say the Grain Exchange; and if I was one of the delegates for the pool men, and they went into a deal of this kind, with my knowledge of the past grain trade I would feel that there was a joker hidden some place, and I would be leery about making a deal with them. That is my opinion of them.

Hon. Mr. GORDON: Honourable gentlemen, a while ago the honourable member for Russell (Hon. Mr. Murphy) asked a question of the sponsor of this Bill which, if answered, would clarify my mind. I would like to hear it answered. I understood that the two different factions were agreeable to this amendment. If that is the case, why should we quarrel about it? Is that right?

Hon. Mr. WILLOUGHBY: I do not know whether it is right or not.

Hon. Mr. TURRIFF: I have a great many more notes, but I am not going to take up any more time. My honourable friend the member for Moose Jaw (Hon. Mr. Willoughby), who has charge of this Bill, explained it very well; and I agree with my honourable friend from Saltcoats (Hon. Mr. Calder) when he says that if you cut away the camouflage and legal twists and excuses and technicalities all around the Bill, one main question remains, and that is, whether the farmer has a right to follow his own wheat as he had up till last year, when we took that right from him? We are not doing any injustice to the elevator men. If there is any injustice they brought it on themselves. I think the farmers ought to be given their rights, and I think the pool men will come together with the elevator men and make an arrangement by which the pool will get some elevators that are now owned by the elevator companies. But what the pool men are somewhat afraid of is that they could not get fair treatment. For instance, they tried in one place to buy an elevator, and the lowest price they could get was $12,000. They shipped in a carload of lumber, and immediately they got a telegram saying they could buy that same elevator for $6,000, and also that the elevator men would pay for taking the car of lumber to any other point that the pool men would designate. That shows what the pool men would be up against in trying to buy an elevator at a fair price. The pool men do not want to build elevators; that is the last thing in the world they want to do. They acknowledge that there are two elevators for every one that is needed, and they do not want to build more, because it would make more competition for themselves, and the elevators could not pay.

I believe that if the pool men and elevator men were left to themselves they would come to an amicable arrangement, and I agree with my honourable friend who spoke just before me, that this Bill should be passed as it is, and we would find that the parties would come to an agreement about the elevators much more quickly and much better than if a club is put into the hands of either one of them. The business will take care of itself, and they will be able to come to an agreement as to the value of the elevators.

I know that many elevators through the West are nothing but heaps of old junk, and only worth what they would sell for as second-hand lumber. If the elevator company is put in a position that they can go

to the pool men in reference to an elevator that would sell, perhaps, for a couple of thousand dollars, and they ask $8,000 or $10,000 for it, they will not be able to sell it, and the result would be that a pool-owned elevator will be put up.

I have a great deal more that I would like to say on this subject, but I will not take up any more time. I trust that the House will give fair, square play to the farmers, and I repeat that this Bill would be doing no injustice to the grain men. Let the parties come to an agreement between themselves, without legislation of any kind further than giving back to the farmer the right that we took away from him last year.

Hon. Mr. BEIQUE: Honourable gentlemen, a good deal of time was wasted, in my estimation, on side issues and on things which were not disputed when this Bill was before the Committee, and I regret that we are doing something of the same kind here, to a certain extent. For the last 25 years we have been called upon in this Parliament to pass legislation concerning farmers and the handling of grain. As far as I am concerned, I have abstained as much as possible from taking any leading part, first, because I think these matters principally concern the western members, who know the conditions in the West, and also because for several years I have been on the Board of the Canadian Pacific Railway, and I feared that my intervention might be interpreted as being the expression of the views of that company, a conclusion which I desired to avoid. This evening also I would have preferred to follow the same course, but when a matter comes to a point where it is shocking my own conscience, I cannot allow any such consideration to prevent me from expressing my mind very freely.

The question, I think, is very simple. We have the capitalists who have built up a large number of elevators, both country and terminal elevators. The two classes have been built as a unit, so to speak. As the matter was very well expressed by the honourable member from Saltcoats (Hon. Mr. Calder) yesterday it was necessary in the interests of both the farmers and the elevator people to have the country elevators, which are the feeders, and the terminal elevators, which are the receivers of the grain ready for shipment. The people who have invested the very large amount of money that has been mentioned have done so on the strength of the Grain Act of 1912. Under that Act their property was made a public utility, the Government assumed control of it by means of the Grain Board, and these elevator companies had to submit to the requirements of the law and accept whatever rulings were enacted by the Board. That was done in the public interest. That a very large amount of money was invested is not denied; it is admitted by everybody. It is said that the investment has been a paying one; that the money originally invested has been recouped. I would be ready to admit that it has been recouped twice over, if you like; but I take it for granted that in those companies, as in others, the interest is represented by stock which is constantly changing hands. At present it belongs to A, but to-morrow it may belong to B. In the Committee we had evidence to the effect that within the last two or three years a large amount of stock has been sold in England and in the United States, and it has been sold because the investment was considered a safe and profitable one, the elevators forming a complete chain and being a public utility under the control of the Grain Act of 1912. Investors relied upon being protected by the provisions of that Act. They must have taken that protection for granted. At any rate, they had the right to do so. I would point out and emphasize the fact that this is very different from the ordinary case. A manufacturer invests his money in the manufacture of a certain product. Although he may be protected by the tariff to-day, it may change to-morrow. Tariff changes are taking place all the time. Even in that case, as reasonable business men do we not consider that the investor is entitled to a certain stability? Is he not entitled to expect that no radical change will be made and that his investment will be treated fairly? If that is so in the ordinary case, I submit it is all the more desirable when we are dealing with a public utility.

Now, what have we before us? We have two parties who are at loggerheads. They are divided on one point, but satisfied on the other; they disagree entirely as to the effect of the law of 1912, but each party is satisfied that the law was in its favour. Would not the best course be to take them at their word? Let us say to them: "You both assert that you had protection under the Grain Act of 1912. One side contends that its rights have been interfered with by the Act passed last year. The other party denies that that Act interfered with any rights. Gentlemen, we will restore the condition existing under the Act of 1912, and you will then have no reason to complain." If we do that, those who have purchased stock in those companies will have no grievance. On the other hand, if we disturb the Act of last year without restor-

ing the clause of 1912, we are likely to hear a complaint similar to that which was raised in England with regard to the Grand Trunk Pacific. Is it advisable to do that? As to the effect of the law prior to 1925, each side seems to be equally positive in its contention. So far as I am concerned, I have a clear opinion on the point, but I am not called upon to decide between the parties or even to state what my opinion is. Our duty, I think, is to say: "You both declare that you were protected by the Act of 1912. Well, we will put you under that Act and you will then have no reason to complain." If we do otherwise we shall be accused either of interfering with vested rights and jeopardizing the large amount of capital invested, or of putting one of the parties at the mercy of the other.

As to the effect of the present Bill, I think no one who has studied it and followed the discussion can deny that the passing of this measure would place the grain elevator company entirely at the mercy of the pool. I am in perfect sympathy with the pool organization. I think they are rendering service to the farmers and protecting them, and I wish them success, but I am not disposed to do any injustice to their competitors. I think that what we as honest men should do would be to adopt the suggestion made by the honourable member from Saltcoats yesterday, and that is to repeal the Act of 1925 and give the pool organization the privilege of purchasing, if they choose, one or more elevators at any point, by arbitration. I think that would be doing justice to both parties and it is the course which should be adopted by this honourable House.

Will not the honourable gentleman from Saltcoats move a sub-amendment to that effect, which I would gladly second?

Hon. Mr. CALDER: Honourable gentlemen, I have no amendment prepared. I merely suggested during the course of my remarks what I thought were the only two possible courses. Apparently the honourable gentleman from De Salaberry suggests another course, and that is that the two suggestions that I have made should be combined; in other words, that clause 1 of the Bill should be struck out, and that we should substitute for it a clause repealing the 1925 provision on the same matter and restoring the clause in the Act of 1912—

Hon. Mr. BEIQUE: Reviving it.

Hon. Mr. CALDER: — and add to that the right of the pool to purchase elevators, as has been suggested by the honourable member for Regina (Hon. Mr. Laird).

Hon. Mr. BEIQUE: That is it.

Hon. Mr. CALDER: That would suit me, and I am prepared to vote for it. I have not the amendment prepared—

Hon. Mr. BEIQUE: The motion is easy to make. The honourable gentleman has only to dictate it.

Hon. Mr. CALDER: I am not quite sure of that. I understand that we cannot simply re-enact the 1912 section, because an amendment passed last year made some distinction between public terminal elevators and private terminal elevators. Just what that amendment is and what changes should be made in the law of 1912 I cannot say off-hand. It would be necessary to look up the law. If the Committee adjourned for fifteen minutes we might frame an amendment, but I would not like to do it off-hand.

Hon. Mr. McLENNAN: Let us accept the principle of the Bill.

Hon. Mr. ROBERTSON: It has been done.

Hon. Mr. CALDER: In a discussion I had with Mr. Pitblado before the dinner hour, he told me that some slight amendment to the law of 1912 would be necessary on account of a change made in the Grain Act at the time of the general revision last year. I think the chief point in connection with that is that last year, for the first time, a distinction was drawn between what are called public terminal elevators and private terminal elevators, the private terminal being a mixing house, a hospital elevator or something of that kind. That distinction would have to be taken care of in any new amendment that is made.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, I am not going to answer any of the arguments that have been advanced, though I might say something in reply; but I want to make an explanation. I am placed in a very embarrassing position. I introduced this Bill at the instance of its proponent in the other House, Mr. Campbell. He has gone home and I am unable to consult him.

Hon. Mr. WATSON: Bring him back.

Hon. Mr. WILLOUGHBY: With the exception of Mr. Hoey, whose name has been mentioned, the representatives of the pool have gone home. If I had introduced the Bill myself and had been receiving instructions direct from those who desire its passage, I would not hesitate to act, for I never have much hesitation in acting when I have made up my mind, mistaken though I may be. From what I gathered in a conversation with

Mr. Hoey to-night I think that although he is personally agreeable in a general way to the suggested amendment move by the honourable member from Regina (Hon. Mr. Laird), he feels some difficulty about taking any authority. I must deal honestly with my fellow members. Under the peculiar circumstances in which I am placed I do not consider that I have a right to say that I can bind, one way or another, the people in whose interest the Bill has been promcted. I stated my own views honestly, and at the time considered I was acting in accordance with instructions. I am now asked to do something else. If I were acting for a single company—for instance, a bank or a railway company—I could get straight and definite instructions in a short time and make a decision, but in this case the people concerned are not present, but are scattered over the Prairie Provinces, and I have no means of getting in touch with them or with the representative who originally instructed me. With these few words of explanation, it is my intention not to consent to anything. So the House is at liberty to do as it pleases. I think that this frank statement on my part is due to the members of the House. with whom I hope to live for long years to come.

Hon. Mr. BEIQUE: If there were no objection we might take the sense of the Committee on the question of restoring to the parties the right they enjoyed under the Act of 1912, and of giving the pool the privilege of purchasing elevators as was stated.

Hon. Mr. CALDER: Mr. Chairman, I have a suggestion to offer. I have made inquiries of two or three persons who have been interested in the Bill and have been carrying on negotiations, more or less informal, with the two parties concerned. I have had nothing to do with those negotiations at all, but have kept absolutely free from them. Now, I am told that there is a possibility that this suggestion may not be acceptable to one or other of the parties. I am inclined to think we are coming to a point at which we may reach an agreement, but it seems too that in arriving at an agreement we should have something in the nature of an assurance that it is reasonably acceptable to the two interests concerned. If we can get that, so much the better. Is there any particular reason why we should decide this matter to-night? So far as I can see, on account of the condition in another place. there is no doubt at all that we shall sit all day to-morrow and we shall have practically nothing but this legislation to deal with. Therefore I would suggest that we again rise, in order that those who are interested in this legislation may be given a further opportunity to bring the parties together. I say that in all seriousness. I do not think we should hurry with this Bill. Everybody knows that it is exceedingly contentious, and that there are great interests at stake. We have two great forces to deal with. If we possibly can, we should arrive at a conclusion that would be acceptable not only to the House, but to the two interests concerned. I would suggest that those who are carrying on negotiations should have an opportunity of continuing them.

Hon. Mr. BEIQUE: As far as I am concerned, I have no objection. I had expected to leave to-morrow morning. I have some very important engagements.

Hon. Mr. CALDER: It is now twenty minutes past ten. If honourable gentlemen have no objection, I think perhaps those interested in the matter and carrying on negotiations could get together so that we could come back within an hour and settle it.

Some Hon. SENATORS: To-morrow.

Hon. Mr. DANDURAND: Why not suspend the sitting until 11 o'clock this evening?

Some Hon. SENATORS: No, no. To-morrow morning.

Hon. Mr. TURRIFF: Mr. Chairman, I would like to ask my honourable friend from Saltcoats (Hon. Mr. Calder) who has been carrying on the negotiations?

Hon. Mr. CALDER: Do not ask me, for I don't know. I simply know that negotiations have been carried on.

Hon. Mr. WATSON: By whom?

Hon. Mr. CALDER: I made a statement, and I do not intend to disclose the names of the persons, because I know only one. I doubt very much whether the House is entitled to that information. I say that negotiations have been carried on by both parties. There are certain lawyers and others here who are interested in this legislation. I have been advised that the proposed amendment in its present form may not be acceptable to one of the parties. If that is so, it would be very unfortunate to have the House express an opinion formally and finally at this stage if it is possible to give the parties an opportunity to get together.

Hon. Mr. DANDURAND: The difficulty I see is this. The grain trade is fairly officially represented; it has its legal advisers here, and knows what it wants. On the other

hand, the clients of the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby), who has charge of this Bill, are very much scattered throughout the three Provinces of the West. It is for him to arrange to secure proper representations from the western farmers so that he may speak for them. It does not seem as though he had at hand representatives who would be able to go into that conference.

Hon. Mr. McLENNAN: On the other hand, the gentleman in charge of the Bill made no protest or objection against the House carrying on and coming to a decision.

Hon. Mr. WILLOUGHBY: No. I simply put the matter before the House as well as I could. I cannot assume the responsibility.

Hon. Mr. McLENNAN: You made no protest.

Hon. Mr. WILLOUGHBY: I assume no responsibility. I leave it to the House.

Hon. Mr. CALDER: I move that the Committee rise, report progress, and ask leave to sit again.

Hon. Mr. DANDURAND: Is it understood that we will meet to-morrow morning at eleven?

Hon. Mr. CALDER: Yes.

Hon. W. B. ROSS: 10.30.

Progress was reported.

The Senate adjourned until to-morrow at 10.30 a.m.

THE SENATE

Friday, July 2, 1926.

The Senate met at 10.30 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

THE GOVERNMENT CRISIS

On the Orders of the Day:

Hon. Mr. DANDURAND: For the second time since Monday last, I rise to ask the honourable gentleman if he has any official statement to make to this House.

Hon. W. B. ROSS: For the second time I rise to say to the honourable gentleman that I have no statement at all to make.

Hon. Mr. WATSON: You have a comfortable seat where you are.

CANADA GRAIN BILL

On the Order:

House again in Committee of the Whole on Bill 8, an Act to amend the Canada Grain Act.—Hon. Mr. Willoughby.

Hon. W. B. ROSS: I was going to suggest, honourable gentlemen, that we do not go into Committee of the Whole on this Bill, at the present time at all events. Later I am going to move that we adjourn, but before doing so I should like to hear from the sponsor of the Bill (Hon. Mr. Willoughby) and also from the mover of the amendment (Hon. Mr. Laird). I understand that they have commenced telegraphic communication with the people in the West who are interested in this legislation. Telegrams have been sent, but no answers have yet been received. Probably by 3 o'clock answers will be had to the telegrams, and then everybody will be in a better position to know exactly where we stand.

Hon. Mr. WILLOUGHBY: With the permission of the House, I wish to say that I indicated yesterday my lack of authority to bind those whom I represented in this matter in the absence of Mr. Campbell to anything other than the Bill itself. Last night I sent the following wire to J. T. Murray, barrister, Winnipeg, care of Dave Smith, General Manager Canada Co-operative Wheat producers, Limited, which was the address given to me by Mr. Boyd of the Grain Commission as the most likely one at which to reach Mr. Murray:

Grain Act before Senate to-night. Senate adjourned till ten thirty Friday to finally consider same. Amendment moved that clause one come into force only when proclaimed by Governor in Council and remain in force one year. Another amendment to be moved makes provision for compulsory sale on arbitration as to price and terms and selection by Board Grain Commissioners of elevator. Another possible or probable amendment that Act last year be repealed and Act 1912 be restored. Campbell gone home. I feel lack of authority to accept or reject any one or more of these amendments. Much opposition to present Bill. Instruct fully and immediately. Consulted Hoey, who feels lack of authority. Probabilities grain trade would accept both first amendments or third alternative, though reluctantly in each case.

I consulted with the honourable Senator from Regina (Hon. Mr. Laird), who had moved two of the amendments, as to the phraseology that would be a fair presentation of the matter to Mr. Murray. To that message there is as yet no wire in answer. Mr. J. T. Murrary is the legal representative who appeared before the Committee. Mr. Hoey told me that he sent off, or caused to be sent, three telegrams. One was addressed to Mr.

Wood. He did not send that one himself. He sent one himself to the manager of the Saswatchewan Grain Pool and another to the manager of the Manitoba Grain Pool. He had receiver no answers to any of them when I last saw him. Therefore I feel that we are no farther on in our disposition of the Bill than unfortunately we were last night. I desired to present these facts to the House. I think it would be in the interests of all parties to adjourn until at least the afternoon, but that is for the House to say.

Hon. Mr. DANDURAND: The statement is made in that telegram by the honourable member from Moose Jaw that there is considerable opposition to the Bill as introduced. That is his opinion. It has not been very clearly demonstrated to this Chamber what is the extent of that opposition, and the attitude of the grain growers of the West in giving their opinion upon those amendments will necessarily be conditioned upon the danger of the Bill not passing. I am myself in a similar position. I will strive, either now or this afternoon, to have the Senate declare itself upon the Bill as it stands. I am myself ready to examine into the desirability of accepting amendments if I cannot get the Bill adopted by this Chamber in its present form; but I am not ready to accept amendments of any kind before I know that there is not a majority in this Chamber to pass that Bill.

Hon. Mr. SHARPE: In other words, my honourable friend is willing to make as much political capital out of it as possible.

Hon. Mr. DANDURAND: Well, I will answer my honourable friend right away.

Hon. Mr. LAIRD: Honourable gentlemen, while the honourable leader of the Opposition is getting his ammunition ready, will you permit me to say—

Hon. Mr. WATSON: He is ready now.

Hon. Mr. DANDURAND: My honourable friend (Hon. Mr. Sharpe) speaks of political capital. Here is what I read in the Montreal Gazette of yesterday morning:

> Saskatoon, June 30.—The following message was sent to John Evans, Progressive member for Rosetown, and signed J. T. Douglas, secretary, on behalf of the Rosetown Federal Progressive Executive:
>
> "Feel confident that you will continue to support principles. Oppose bargaining with either party. Advocate supporting any government with Progressive legislation. Do not hesitate to vote out Tories, even at expense of the Campbell amendment on rural credits. Election inevitable. Rosetown ready. Recommend get on Hansard Progressive insistence on judicial inquiry of customs probe."

That indicates that the Rural Credits measure and this Bill have a bearing upon the political situation in this country. I allowed my honourable friend (Hon. G. G. Foster) yesterday to state what had taken place in the Committee, but he did not state that on the afternoon or evening of Tuesday, the 22nd of June, when we met to consider that Bill after we had already held two sittings, a motion was made to hear the Grain Commissioners on the first clause. When it was declared by all the parties that we did not need the Grain Commissioners on that clause, I objected to the motion, because I felt that it would make for too long a delay, which would be looked upon with suspicion by the country. As a matter of fact, on the Monday evening, when passing through Toronto, I had seen that the majority in the Commons would be affected by the way the Grain Act was dealt with. I did not raise that question before the Committee. On Tuesday morning at half-past ten the honourable gentleman from Middleton (Hon. W. B. Ross) asked that the Committee adjourn in order that our friends of the Conservative Party might go into caucus. I took it for granted that they went into caucus with the Commoners. In the evening, after that caucus, there seemed to be a desire to postpone the consideration of this Bill. The Grain Commissioners were called, although both parties had declared that they did not need the Grain Commissioners, and we lost three or four days. Here we are in the throes of a political crisis, with this Grain Act before us. I should have liked the Senate to dispose of it much earlier in order that the suspicion might be avoided that the Senate's action was affected by a situation existing elsewhere. I had to bow to the decision of the majority. I recognize that when, in the following week, my right honourable friend (Right Hon. Sir George E. Foster) said that on the second clause he desired to hear the Grain Commissioners, the point was well taken; but it was not well taken on the first clause on that Tuesday, when both parties had declared that they did not need the Grain Commissioners. I felt that the Senate would be open to attack for this dilatoriness in dealing with the Bill when there was a crisis elsewhere. And I desire to tell my honourable friend that I do not accept the imputation that I am making any political capital. I want to remind him of the fact that this Bill has come from the Commons with the unanimous approval of that House, his leaders supporting it and voting for it. Here we have before us a very simple question. Shall the Grain Act be changed to what the grain growers want? Shall it be clarified as Mr. Justice Turgeon

recommended or shall it be restored to what it was in 1912? There I stop. I am not going into the merits of the question.

Hon. Mr. SHARPE: May I ask my honourable friend one question? Suppose we pass this Bill to-day—suppose we pass it right now; what will happen to it? Will it get any further? Suppose we have a division; what will happen?

Hon. Mr. WATSON: We have done our part.

Hon. Mr. SHARPE: It will go on Hansard, there is no doubt about that. Some will vote for and some against. But why does my honourable friend want that? For political purposes and no other.

Hon. Mr. DANDURAND: No.

Hon. Mr. SHARPE: You may bet your life. No doubt about that in my mind.

Hon. Mr. DANDURAND: I declared that I supported the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby), who introduced this Bill. I said it yesterday in no uncertain tone. I now declare to the Senate that I am ready to support some amendments—

Hon. Mr. SHARPE: But why does the honourable gentleman want to force it now? He knows it cannot become law now. He knows that as well as any other person.

Hon. Mr. DANDURAND: No. I think it will become law if there is a majority in the Senate to vote for it.

Now, I rose simply to make this statement, that before considering amendments we ought to divide on the merits of the Bill as it is.

Hon. Mr. SHARPE: I know what you are after.

Hon. Mr. PARDEE: What are you after?

Hon. Mr. DANDURAND: Why should the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby) ask us to accept amendments altering the Bill which has come from the Commons, before we know whether or not the Senate is ready to assent to the Bill? I have not consulted the members of this Chamber. I hear from my honourable friend (Hon. Mr. Willoughby) that there is considerable opposition to the principle of the Bill. It must not be forgotten that we passed the second reading without binding ourselves to the principle.

Hon. Mr. SHARPE: Certainly.

Hon. Mr. DANDURAND: And now we are at the Committee stage and are about to consider amendments before deciding upon the principle of the Bill. I believe that we ought to find a way to decide upon the principle and the merits of the Bill before attempting to amend it. That is all I intended to say. I dislike some of those amendments. I dislike as much this morning giving the Governor in Council the right to stand as arbiter between those two great interests, bringing into the matter all the political action of a Government actuated by that vital principle of self-preservation. I refuse to do that cowardly act of passing the buck to the Government of the day. That Government may be one of which I am a member. Who knows to-day who is in power? It is because we are upon that neutral ground, because there is no Government of this country at the present moment, that I say; beware, honourable gentlemen of the Senate; beware of giving that formidable power, that exorbitant power, that scandalous power, to a Government, whatever it may be, whether Liberal or Conservative.

Hon. G. G. FOSTER: Honourable gentlemen, I dislike very much to refer again, even for one moment, to the events to which I have alluded on two previous occasions; and it is not pleasant for me, as a humble member of this Senate, to feel obliged to ask my honourable friend, even in the heat of all the political excitement which surrounds him and his political friends to-day, to keep as cool as he has done during the years past in which he has led his party in the Senate. There is nobody, I repeat, who has done anything in the Banking and Commerce Committee that was not fair, square, and above-board, and everything was done for the purpose of dealing legitimately with legislation after we had properly considered it. My honourable friend has referred, in a way that does not do him credit, to the fact that he was gracious enough to allow an adjournment of the Banking and Commerce Committee in order that members might attend a caucus. It has been insinuated before, in the press and in another place, that that caucus was a combination of members of the two Houses, and that the Conservatives of the Senate and the Conservatives of the other House met for the purpose of caucusing about this Bill. I want to tell my honourable friend that that is absolutely false.

Hon. Mr. DANDURAND: I am very glad to hear that.

Hon. Mr. FOSTER: I want to tell my honourable friend that for four years, owing to insinuations of the very character that he, unfortunately for himself, has made in this

Chamber now, I have never attended a caucus of the Conservative Party with the members of the House of Commons; and the caucus that I did attend the other day was a caucus of the members of the Senate to decide upon affairs on this side of the House, and not for the purpose of combining with the Conservative Party in the House of Commons as to what should be done with regard to this legislation or for any other purpose. I expect that my honourable friend will declare that he had not been properly advised and did not properly understand the position, and that he will say to those of us who have made the sacrifice of abstaining from any part in the caucuses in another place that it was an unfair insinuation for him, or any other person, or any newspaper, to make. I repeat that the Banking and Commerce Committee in this matter and in every other, for the last seven years, have been, as they were for years before, above suspicion. They have not played politics; their Chairman has not played politics; and if honourable gentlemen in the heat of the excitement that fills this House and this city to-day, forget themselves to the point of doing an injustice to their colleagues, I for one repudiate their unfair statements and challenge their right to make these insinuations.

Hon. Mr. DANDURAND: I am very glad, honourable gentlemen, to hear that statement, for it was declared to me, and it was stated elsewhere and in the newspapers, that the Conservative Senators had caucused with the Conservative Commoners. For my part, since I was made a Minister, I have attended one caucus of the Liberals in Parliament. That was four and a half years ago. Since then not only have I not attended any caucus, but I have asked the whips on the other side not to send notices to the Senators to attend caucuses, because I preferred that we should remain away from the political atmosphere of the Commons.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend has alluded to what took place in the Committee prior to the request that the Board of Grain Commissioners come down to Ottawa and give evidence, but I do not think he has stated all that took place on that special occasion. The question was raised whether we should proceed to an examination of the Bill and a conclusion upon it, or whether any further evidence should be brought. It was suggested that the Grain Commissioners should be brought down, because as to section 1 they were very intimately connected with the controversy, if you call it so, as to how that originated, and, in the second place, it was material to have their evidence on section 2, a very important section of the Bill. When the proposition was made what my honourable friend has stated really took place. He did not see the necessity for calling the Commissioners, and urged that it was unnecessary to do so. Amongst others, I took the view that the second section of the Bill was equally important with the first section, though of course along different lines, and I hold that opinion still. I said that, whilst I would not care particularly whether or not the Commission came to give evidence on the first section, I did think it was very important that they should be present for the second section. That is why I pressed for the Grain Commissioners' attendance, and I think it was perfectly legitimate to do that. I am glad to see that my honourable friend admits that it was important to have the Commissioners present to give evidence on the second section of the Bill.

Now, as regards the little political or party flurry that we have had here this morning, it does not often take place in the Senate. Maybe we are slightly solemn and overdrawn at times, and a little exciting flurry of this kind stirs the waters and perhaps contributes to their ultimate purity. I am not finding any fault with that; but I am going to protest against what may be an impression that party politics is a game played in the Banking and Commerce Committee of the Senate. I distinctly say that from my becoming a member of the Senate and of several of its Committees, I have been rather surprised at the very commendable absence of party spirit amongst honourable members when taking up measures that come from the Commons. The experience has been, I may say, somewhat refreshing as compared with the experience in like Committees of the Commons, where, I think it is agreed, party politics do sometimes enter into the consideration of their measures. I am anxious that the Senate should keep its reputation in respect to the manner in which it deals with business that comes before it.

As to attendance at party caucuses or meetings of that sort, it is not necessary for me to make a confession, but I have not attended a caucus of Conservatives of the House of Commons during this whole Session. A Senator who is a member of the party has a right to attend if he so desires. Each can exercise his own judgment, however, as to whether or not it is wise to attend.

Where are we at this particular time? The impression was strong in this Committee yesterday, and I think it is equally strong now, that we can get through with this measure

which is before us, in which great interests are involved—interests which have been and are now in conflict with each other and which, if they remain in conflict, will prove an element not for the benefit of the West or the benefit of Canada as a whole. I do not want to go into the different points to be considered, but if there can be a reasonable arrangement made in this Committee, issuing in legislation which will provide that the opposing interests large and important as they are, can be brought to work in harmony rather than in opposition to each other, the ultimate object which we have in view might be attained in that way. This would be a very laudable thing for the Senate to carry out. We had that opinion last night, and I think very many of us have it this morning.

I quite recognize that the position of the mover of this Bill is a rather trying one. He undertook, after what passed here yesterday, to get into communication as far as he could with authoritative parties on the pool side of the arrangement, or, shall we say, with those who favoured this Bill as it is, in order that he might be guided as to what he should do and advise the Senate to do. I think the step that he has taken was a wise one; but such communications do not issue in results in an hour or two, and my honourable friend is without any advice from the parties to whom he appealed. Now, if we were sincere in our ideal last night, which was to get conclusions on the basis of a fair agreement between the interests, I think we ought to wait a few hours to know what will come as the results of the inquiry of my honourable friend, then when we meet in the afternoon we shall have such information as my honourable friend may have gained. It may be that there cannot be any arrangement between the two interests, either promised or actually carried out, but on the other hand there may be, and we would be perfectly justified in taking some hours to give an opportunity for such agreement rather than proceeding at once.

So far as I am concerned, I have no hesitation in saying that I am prepared to vote on the first clause of the Bill, on the second clause, and also on the amendments. I am not shirking any vote. I am not unwilling to let everybody know just where I stand on this matter, and when the time comes I shall be able to say just exactly why I take the course I do. When my honourable friend said in his telegram that there was considerable opposition to this Bill he did not go far enough, in my opinion; he might have said that there was very considerable opposition to it. He certainly stated the fact in a very mild manner.

That is all that I wish to say just at present, but these considerations lead me to think that the best way for us to do is to adjourn until say 3 o'clock, and come back and see what the situation is at that time; then, if necessary go to it, and vote; and if my honourable friend wants to challenge a vote on the principle of this Bill, clause 1, clause 2, and the amendments, I am prepared to assist him in that.

Hon. Mr. DANDURAND: I referred to that because the principle of the Bill was not voted upon on the second reading.

Hon. W. B. ROSS: But how can you get at the principle and avoid the amendments? When the adoption of the first section is moved, you have one, two, three, or four amendments. It is impossible for a member to say beforehand that he will vote yes or no on the Bill. If you challenge a vote, and it is in the negative, your Bill is dead, whereas the people interested might have had something very beneficial to them if they could have the Bill as proposed to be amended.

Hon. Mr. DANDURAND: Of course I see the difficulty.

Hon. Mr. ROSS: Well, you have got to or two words about the delay. I was one of those who asked for the adjournment of the Committee on Banking and Commerce in order to hear the Board of Grain Commissioners. If there is any criticism of that, I think any member who heard the evidence when the Commissioners appeared before us and gave testimony will say that the evidence we got from them is full justification for asking for that adjournment. Their evidence made the whole matter much clearer, and was very satisfactory to me. I stated at the Committee that it was not so much in regard to the first clause of the Bill that I wanted to hear the Grain Commissioners, but rather as to section 2, making the town of Moose Jaw an order point. I admit that I, among others, asked for that adjournment, but I am glad I did so, and I have no apology to make to anybody.

In regard to the Bill itself, since it came into this House I have given more attention to it than I have done to any other Bill that has been before us this Session. Indeed, there have been very few Bills in this House since I have been a member of it to which I have given as much attention. There are more reasons than one for that. The subject

of the Bill is a comparatively new one to me. One who lives in the East must almost learn another language in order to understand the verbiage, the phrases and words, that are used in connection with it. The only thing that is helpful at all is the knowledge of trade in other products such as we have, on a smaller scale, in the eastern Provinces That may help a little towards understanding about the shipment of grain, but in the East we know practically nothing about the grain trade. The whole matter dealt with in this Bill was technical, but I think that after a time I arrived at a point where I understood the real difference between these parties.

From the beginning to the end I have considered this Bill with absolute impartiality. For weeks while it was before Parliament I had no view as to whether I would support it or vote against it, and that is the position that I occupy now. I do not care which party it affects, but I want to get at what is the right thing to do between these two business concerns, which we may call A and B. I am not going to be a party to passing legislation to help A to hurt B, or to enable B to hurt A. Here are two business concerns, and there is a good deal to be said in favour of the view that the honourable member from De Salaberry (Hon. Mr. Béique) takes of it. His mind meets mine on many things that come up here. After all, it might be thought best to keep hands off, and let this matter go back to the parties concerned, and let them fight it out as to what their rights are. There would be a good deal to say for that, but I am not tied down to that position. Someone may give a good reason why we should not do that.

I doubt very much whether my honourable friend or any other man in this House can work this Bill with a view to getting anything like political support out of it. If we adopt the Bill without qualification, or kill it without qualification, we are going to offend somebody. There are two rival parties, and they cannot be mixed. There are amendments suggested, but the difficulty about the matter is that, as the mover of the Bill says, there is now no one who has authority to accept or not accept them. However, we are on the eve of receipt of information which will perhaps clear up that difficulty. I cannot see that the world will go to pieces if this House adjourns till 3 o'clock, by which time there should be an answer to these telegrams.

Hon. Mr. DANDURAND: I did not object to the adjournment till this afternoon, but I thought I owed a loyal statement to the Senate as to what I viewed the situation to be—that many members who want to support the motion for the adoption of the first clause will be forced to accept amendments without knowing whether there is a majority in favour of the first clause. That is all I was saying, and I thought that such members of the Senate could turn that over in their minds; but my good friend from Manitoba (Hon. Mr. Sharpe)—and I have a grievance against him—drew some heat from me by accusing me of playing politics. I regret that my honourable friend was cute enough to arouse me by his interjection. I regret it.

Hon. W. B. ROSS: I want to say a word on another matter on which perhaps I seem to have a different mind from that of the honourable gentlemen of the other side, and possibly from that of some members on this side, that is, about the wickedness of attending a caucus. I think it is a part of a liberal education to attend a caucus of one's party, and hear what is said. How can one know the minds of people without that?

Hon. Mr. DANDURAND: You might catch a microbe.

Hon. W. B. ROSS: Well, you have got to get it killed in some way. You will never progress if you are frightened of catching things, you know; you have to keep going ahead. I attend a caucus occasionally, and I must say I never attend one without being benefitted. Sometimes we hear folly, and sometimes we hear wisdom, but we have to make the best of it. I am unrepentant on that point, too.

Hon. Mr. GORDON: I would like to say a word or two before the adjournment. I must say that no Bill has ever come before this House that has had more attention and consideration from me than this particular Bill. I disagree with some members here who think this is a question which should be left in the hands of the Western members. The whole Bill resolves itself into one practical consideration that any man should be able to deal with; and from the evidence I have heard in the Banking and Commerce Committee, and the explanations that have been made in this House, I am prepared to exercise my judgment either on the Bill itself or on the suggested amendments. As I said last night, there are two contending factions, and I think it is our plain duty to allow them to get together and agree, if possible, as to what they will be satisfied with. I think, therefore, that it is wise to wait for replies to the telegrams which the sponsor of this Bill has sent. Everyone must realize that he was in an impossible position last night.

As one who has been sitting in this House for the last 12 or 13 years, I wish to say that in dealing with Bills of this nature, affecting contending parties and the country generally, I have not found that the members here violate their obligations by upholding political parties. For my own part, since I came to this House I have not let political motives interfere with my vote, one way or the other, and I have never been asked or approached by any person who is in another place to vote either for or against any measure. As far as I know, the members on this side of the House are left free to act on their own discretion. I was very sorry to hear political motives ascribed to any person within this House, because I do not believe there is any man on either side of the House who is not prepared to exercise his judgment in preference to that of any political party.

Hon. G. D. ROBERTSON: May I just add one more link to the chain of evidence with reference to the misunderstanding that exists in my honourable friend's mind in reference to matters in caucus? I happened to be one of the comparatively few Senators who attended the caucus the other day to which he referred, and I desire to say to him in all truthfulness, what can be substantiated by others who were present, that the subject of the Grain Act was never mentioned or discussed at that meeting at all. Other matters, as my honourable friend quite well knows, were of more importance at that moment, and this Bill was not mentioned, and there has been no discussion of it in caucus so far as Senators are concerned.

Hon. Mr. BEIQUE: Honourable gentlemen, the situation is very likely to be cleared up by two o'clock, and I would suggest that we meet at half-past two. Prorogation may take place this afternoon for all we know, and I think by half-past two we will have some knowledge of what is to be done.

Hon. Mr. MURPHY: The suggestion that we should adjourn until some time this afternoon, in order that in the interval information may be obtained that possibly will clarify the situation, is one to which I have no objection to offer. However, I desire to ask a question. Yesterday, during the discussion, two opposite sets of opinions with respect to the Grain Bill were presented respectively by the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby) and the honourable member from Saltcoats (Hon. Mr. Calder). This morning the honourable gentleman from Moose Jaw has given the House such information as he has with reference to the set of opinions for which he is the able spokesman in this House. The honourable member from Saltcoats yesterday referred more than once to an unnamed individual who had expressed strong opinions with regard to this matter, and from whom some information or some instructions had been received. May I ask the honourable gentleman from Saltcoats if he can give us any additional information or any further instructions from this unnamed individual that would assist in clarifying the situation?

Hon. Mr. CALDER: I am inclined to think that the honourable gentleman who has just spoken did not catch the full purport of my words. I merely stated that knowledge had come to me to the effect that negotiations were being carried on between the parties interested in this Bill. I was asked by the honourable gentleman from Assiniboia (Hon. Mr. Turriff) to disclose the name of the person who so informed me, and I stated that I did not think it was necessary to pass that information on to the House. By whom those negotiations have been carried on I do not know—there must have been several persons. Up to a certain point Mr. Pitblado was acting for the grain trade in the negotiations; but I know that at a certain point he quit carrying on—why I do not know. He may have been engaged in the negotiations of last night. As to that, I do not know. As to what extent those negotiations have proceeded, I have not the slightest information at the present time.

On motion of Hon. W. B. Ross, the Senate adjourned until 2.30 p.m. this day.

DISSOLUTION OF PARLIAMENT

The Fifteenth Parliament having been this day dissolved by Proclamation of His Excellency the Governor General, the Senate did not again meet.

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